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CANADA'S

WEEKLY NEWSMAGAZINE

MARCH 2, 1998

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the hockey  
meltdown



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Magic  
moments

For 16 momentous days, Winter Olympics from Canada and around the world worked wonders on ice and snow. Team Canada won more Winter medals than ever before—15. And while there were disappointments—hockey pined a special breakthrough for Canadians—the Nagano Games passed the power to surprise and shock.

## Still longing for hockey gold

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All-news channels are exploding on Canadian TV, but analysts wonder if the market is big enough to sustain so many information options.



## SPECIAL REPORT

## 52 Dark days at Philip

The huge Hamilton-based waste-management company was on a roll until a series of financial setbacks. A *Slack* investigation examines the firm's problems and its ascent to the environmental front.

## 58 Calling all sailors

Retired engineer Herb Hagenberg's home in Burlington, Ont., is filled with plaques and awards honoring his hobby—broadcasting daily weather reports from his basement to sales in the Caribbean.



# From The Editor

## This helped federalism?

**C**losely. Prime Minister Jean Chrétien, Justice Minister Aron McLellan and Plan B Minister Stéphane Ducharme know something that the rest of us do not. What they know is how the federal government's decision to refer the Quebec independence case to the Supreme Court of Canada somehow has helped the cause of federalism. It seemed like risky business in September, 1995, when then Justice Minister Allan Rock announced Ottawa's plan to challenge Quebec in Ottawa. By last week, the bid seemed downright foolhardy as referendum spooks with two strands—one in court, the other in the country. Ottawa managed to give new life to the separation—all the while swelling Chrétien's former referendum allies against him and lowering a profound skepticism that the federal government is playing politics in the highest court in the land. It was not a good week for federalism—or for Jean Chrétien.

McLellan got things off in the wrong foot when she told a reporter that the Canadian Constitution probably would not apply if Quebec acted on its own. This has always been the position, which would require the constitutional consent of Parliament and at least seven provinces. But here was the top law officer of the land saying that, so, special measures would be needed. Politics, in other words, would prevail, not legality. That was precisely the wrong point to be making on the very day that federal government lawyer Yves Fauriol was in court arguing the exact law since adherence to the law. He wanted to focus the court's attention solely on three questions: 1) whether Quebec has the right under the Canadian Constitution to leave unilaterally; 2) whether that would be allowed under international law; and 3) in the event of a conflict,

whether international or domestic law would prevail in Canada. Not surprisingly, Chief Justice Antonio Lamer ruled *Forster* if McLellan's remarks meant that the court would not have jurisdiction at all. Good question. *Forster* responded poorly, if lamely, that it was a situation that could be both legal and political.

The court, of course, will make up its own mind in a few months. But in the court of public opinion, last week Quebec Premier Jacques Parizeau scored all the points. He has argued all along that Quebecers must have the right to decide their own future, and the Supreme Court has no business meddling. At a Montreal rally on Friday night, Parizeau declared "The federalist Titanic has hit bottom." Most editorialists in the province agree. As do the people of Quebec.

Woe for Chrétien, Tory Leader Jean Charest, the second-most popular politician in Quebec after Parizeau, and Liberal Leader Daniel Johnson have sided with Parizeau. Or is it better for Chrétien? Perhaps he has calculated that his court reference will appeal to hardtossers outside Quebec. Perhaps he thinks it is a last way to win for Preston Manning and the Reform party, the court reference. Perhaps he knows that Chrétien's pro-Quebec stance will be unpopular in Western Canada. That, of course, suggests that the Prime Minister truly is playing politics with the Supreme Court—which surely cannot be the case because he, McLellan and Ducharme know something that we do not.

Robert Lewis



Lamer providing good questions

which, alone among opposition parties in the Commons, supports the court reference. Perhaps he knows that Chrétien's pro-Quebec stance will be unpopular in Western Canada. That, of course, suggests that the Prime Minister truly is playing politics with the Supreme Court—which surely cannot be the case because he, McLellan and Ducharme know something that we do not.

## Newsroom Notes:

### Nagano's legacy

**F**or the Maclean's staff covering the Winter Olympics, there were the highs and lows on ice and snow—but there was also the remarkable organization of the Nagano Games. Photo Editor Peter Bragg recalls that a day after he and his colleagues left a deposit of film canisters and boxes at one event, organizers taped garbage bags at photo positions for an exercise in Olympic recycling. "It was the best organization of media facilities yet," says Bragg, covering his fifth Olympics for the magazine. Sports Editor James Geisler was impressed by the camaraderie among all the Canadian athletes, while Ottawa Editor Bruce McIntyre said that despite the Canadian hockey team's demise, "it was special to



Bragg in Japan: the best

see such great hockey up close—that is, worth coming around the world for." In Toronto, Executive Editor Bob Lewis oversaw the coverage, Associate Photo Editor Kristine Ryall kept on top of the Vancouver flow of images, while Art Director Nick Burnett supervised the design.

### Media coverage

In addition to his biweekly national affairs column, Backstage, Anthony Wilson-Smith this week begins regular coverage of the media beat with a piece on all-news TV (page 60).

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out of anything.  
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the past.



## NEWMAN SARANDON HACKMAN TWILIGHT

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MARCH 6

ROBERT DUNN "THE FUGITIVE" ROBERT DUNN "THE FUGITIVE" ROBERT DUNN "THE FUGITIVE"

**Only Polaroid has a digital solution**  
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**this simple.**



**1:32 pm**

A backhoe uncovers what project engineer Bob Richter believes could be a 150-million-year-old *Synsaurius* along with a potentially costly 6-month construction delay. He snaps a picture with his Polaroid instant camera. Nice skull, don't you think?



**1:39 pm**

Bob scans the photo using the new Polaroid DirectPhoto software and his own scanner. With DirectPhoto, using your scanner is really simple.



**1:41 pm**

With just a few simple clicks, Bob attaches the picture to an e-mail and sends it to a University of Toronto paleontologist.



**2:16 pm**

Mary Deeselle, Ph.D., picks up her e-mail along with the fossil photo that carries its own tiny piece of software. So even though Dr. Deeselle doesn't have DirectPhoto, she can still closely examine the picture's details.



**2:26 pm**

Dr. Deeselle phones Bob at the workplace. It's a nice picture — of a cow's head.



**2:34 pm**

Work resumes. But not before the boys put together a little tribute using Polaroid's own Inkjet Photo Paper. Nice press line. And for what could've been a complex problem, Polaroid made the digital solution really simple. Even beginning to email.



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Winter's hockey won't be the only milestone this year in Nagano. 1998 marks the first time that the Olympic Games have been held during the Internet era. In keeping with our status as an Official Worldwide Partner, IBM has built and powered an Official Nagano Olympic Website.

More than a place to source everything from real time results and event schedules to rules and trivia, the website is your personal connection to athletes via FanMail.

Whether it's Nancy Drokot, Fiona Smith or any other athlete representing their country at the Olympic Games, your FanMail will be easily accessible to them through a host of IBM computers located right in the Surf Shack at Olympic Village.

Write to one athlete or a whole team. As often as you like. Just don't forget to write. While FanMail is free, the positive effect your words of encouragement will have, is priceless.

If you don't own a computer or have Net access, simply drop into your nearest IBM Home Computing Store. You can send FanMail to the athletes from there. Free of charge. (For the IBM Home Computing Store nearest you, call 1-800-IBM-CALL.)

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Column



# Barbara Amiel

## The real problem in handling child abuse

**I**n the late 1980s, I worked as a story editor in CBC public affairs television. My work wasn't glamorous, but I did uncover a nasty case of child abuse: "Peter" was the care of a southern Ontario branch of the Children's Aid Society. They had placed him in a foster home where he was tortured by the foster mother. This was not altogether surprising as the foster mother's own first child had been found dead in an outdoor.

She was acquitted of murder in that case, but briefly confined in a psychiatric institution. After her release, the CAS sent her Peter, whom she doped in scalding water and suspended from the shoulders while beating him with a wooden stick with nails in it. After the death of one child and the torture of the second, the CAS was in the process of sending off yet another foster child to that same mother—until our CBC filming began. I wasn't much of a journalist at the time, but I tried very hard to get access to the files about Peter and the decision-making process that had sent him to such a woman. I couldn't.

I remember Peter's small white face every time I write about child abuse. These days, different sorts of cases are surfacing: in Britain, several dozen parents in a small village are suing social workers for the removal of their children. In a separate incident in Bristol, a mother took her son, who was on anti-convulsant medicine, to the hospital for observation. A doctor decided that somebody had overdosed the child—he didn't know who, he said, but that was not his business. To be sure, he took out an order removing the child from his mother. What she was never told was that the son continued having up to seven fits a day in hospital. The boy was sent to an adoptive home where he was abused—luckily, I suppose, for the mother, or else she would never have got him back. The abuse case led to a reworking of the files and four years after his removal, her 15-year-old son was finally come home.

Now in British Columbia, we have the mothers in Quesnel, B.C., who are demanding that the province's ministry of children tell them why 71 children, children were taken away from her as the very existence of the children's ministry, in turn, is the consequence of another case, that of Matthew Vaadrud, who had been seen by more than two dozen social workers, 24 different doctors, and died in 1992 at the hands of his mother when he was five years old, having eleven fractured ribs and weighing 36 lb. Public outcry over the negligence was so great that in the wake of a judicial inquiry, the social services ministry was dismantled and replaced by the children's ministry—same outfit, new name, new guidelines.

The confusion today that the media in Quesnel face is the result of the old adage that hard cases make bad law. The Vaadrud case was a horrible business, but the solution was not rational. Clearly, a

number of people in the child protection business don't do their duty to Matthew, which the law simply enabled them to do at the time. The political response to this impotence was to allow the same class of people to have the same unfettered discretion, but on a different principle.

The original set of guidelines told child protection workers (doctors, social workers, barristers, etc.) that the overriding state interest was to keep families together except in extreme cases. Since they had all agreed to uphold and enact all concerning good judgment, the guidelines were changed to give them even more power. Now, the overriding state interest would be to resolve matters on the side of interference by these folks.

How can we help our children? Any civilized society has to have a

mechanism with the power to interfere in family matters when children are involved. But the onus must be on the state to justify that interference, and to make it accountable. I think we begin with one basic reform: making the process transparent. Confidentiality and secrecy serves the interests of no one but the bureaucracy. The sealing of court proceedings allows negligence to be covered up. Social workers and barristers don't have to answer anyone's questions, and as normal investigation of their decisions can be made. If we want to make sure that in certain cases names or photos are not published, that can be achieved by requiring the media to use pseudonyms or initials under penalty of law. The identity of an abused child can be protected. What we should not allow is a bureaucracy to hide behind a confidentiality rule to protect its interests. This bit of common sense goes against today's occurred wisdom reflected, as ever, in the slanders of our

mainstream institutions such as the CBC, Southern newspapers, *Maclean's* and *The Globe* and *Mail*. Commenting on the Quesnel situation, the *Globe* pointed out that "since names and even circumstances must remain confidential," it's hard to say whether the authorities have overreacted or not. Perfectly true. But the *Globe* tries not to see the answer to this riddle (ing Gordon last. Instead, it concludes: "... as efforts must begin to act at the first sign of trouble. Keeping families together may be an important state interest, but it cannot be the primary one. Children are. It's a delicate balance. But more benefits of the doubt belongs to the children alone."

It sounds very motherly, but it isn't. When the rules require everything about these cases to remain confidential, who weighs the "delicate balance"? The media can't even act as a watchdog, as I once tried to do, because of the secrecy rules. In all these cases, the "benefit of doubt" flows up to the children, but to bureaucracy who acquire an almost unfettered discretion. The *Globe* may be ready to give carte blanche to some new Ministry of Love to ride over Canada's families, but I wouldn't.

# Opening Notes

Edited by TANYA DAVIES

Rebagliati at a Whistler celebration: more marijuana controversy

## Will Ross find his pot of gold?

Olympic gold medalist Ross Rebagliati cannot escape the cloud of controversy over his marijuana use. Last week, the 26-year-old snowboarder was fined high—the first time at Whistler, B.C., held a huge party for him and named a ski run Ross's Gold in his honor. He then flew to Toronto to sign a deal with International Marketing Group, a global sports agency. But the dope debate continued: was Rebagliati was accused of lying about his drug use by the Information Officer Catherine's top medical officer, Prince Alexandre du Meris. du Meris disputes Rebagliati's claim that he was not smoked pot since April, 1997, saying that standard drug tests from last December indicated extremely high levels of marijuana in his system. Rebagliati continues to insist by his own statement that he was "subjected to a second-hand smoke as a party in January."

The medalist has always been a maverick. His father, Mark Rebagliati, 54, told *Maclean's* that he was summoned to Vancouver's Ulele Lake Ski Quasi after Ross, then age 10, had jumped a flight of stairs on his bike. School officials were worried that other children would copy him and get hurt. "Years that kids will be influenced by Rebagliati's association with pot may have affected his ability to sell his image. While athletes are selling as corporate names are not being released—Rebagliati admits he has not based Ross on sport (page 10). The pot of gold may depend on whether certain companies want to be associated with the other kind of pot."

## Disarming the British 'lager lout'

That prehistoric past beloved by generations of British pub-goers is about to change. It will soon be served in cages of tempered glass, as fit as strong as the conventional variety. The new vessel is expected to curb injuries inflicted by a pub pot widely known as the "lager lout." In most cases, this is a young man with a prehistoric-like violence and his weapon of choice is a shattered beer glass. The result, according to the British Museum Office, is between 3,400 and 5,500 injuries—many of them serious—a year. British pubs, so, therefore have long advocated the introduction of tempered glass. Unlike conventional glass, tempered glass shatters into tiny rounded cubes rather than jagged razor-sharp shards. British brewers, however, who control the majority of British pubs,



Pub patrons: safety glasses for livers

have resisted the governmental pressure on economic grounds. "That attitude is changing," says the British Prime Minister Tony Blair threatened to regulate the business. "Minds seem to have been focused," commented a senior official from the Home Office. "The brewers have now accepted that, despite the initial cost, the use of tempered glass does make economic sense because it lasts longer." The new glasses are expected to be in all British pubs within two years.

## Cupid goes P.C.

What started as a simple "Valentine's Day" discussion caused a lot more ruckus than expected at Vancouver's Langara College. A home-made poster showing the silhouettes of a man and woman kissing led to student complaints that it was "homophobic" and could offend gays. In response, the dean of student and education support services, Valerie Dunsen, withdrew the poster taken down. This caused another uproar as campus that political correctness was not all control

When a replacement poster of linked hands was proposed, student union representative Debra Thompson responded that the new poster might be offensive to people who do not have hands. Langara College president Linda Halperin, who initially supported the removal of the poster, refused to talk to the media about the situation, but did release a written statement saying, "To highlight, ignoring the silhouettes and adding others to make the display more inclusive would have been a better course of action. It is clear that learning is not just for students."

## Teeny-weeny esthetics

The edgy "toxic manor" is currently being tested at the Art Gallery of Toronto in Toronto. At The Threshold of the Visible is a marvel of miniature art work, on display until April 22. The 30 pieces, dating from 1964 to 1996 and assembled by independent curator, Incorporated of New York City, include small-scale paintings, photographs and sculptures measuring less than 30 cm on the. Artists include Canadian Eleanor Klimm and rock-world legend Wade "The Idea Man" Campbell. "The idea was so compelling," says Joanne Bradley, co-



Edginess and work: tiny

tor of contemporary art. "I was attracted by the notion of the miniature scale." Some of the artwork is so small it begs the mind, a portrait painted on a speck of dust on a human hair threaded through the eye of a needle (and displayed under a magnifying glass) and a photograph measuring less than one centimetre. After Toronto, the exhibition will visit Windsor, Ont., and end near it travels to Edmonton. "People have been very into looking, and then laughing," says Bradley. "It's extremely humorous and full of irony—that's the pleasure of the show."

## Time to forget

After Quebec's October Crisis of 1970, several schools were named in honor of Pierre Laporte, the provincial cabinet minister slain by separatist kidnappers. But in the Toronto suburb of Mississauga, the town has apparently come to a better one. When Pierre Laporte Elementary Catholic School reopened September after a major renovation, it will have a new name: St. Margaret of Scot-

land Elementary School. "The change is not meant in any way to disrespect anyone," explains school board trustee Sally Fallon. "The parents have wanted a saint as a patron." Such changes of heart are not uncommon. NASSO Florida branch site, Cape Canaveral, was renamed Cape Kennedy in 1963 in memory of the assassinated president, but reverted to its original name a decade later. At least in Mississauga, Pierre Laporte's memorial lasted 30 years longer.

## BEST-SELLERS

- FIRST EDITIONS**
- 1 The Street Language, John Galsworthy (1)
  - 2 Paradise Lost, John Milton (2)
  - 3 The Shakespeare, John Galsworthy (3)
  - 4 The Prince, Niccolò Machiavelli (4)
  - 5 The Englishman, Thomas Mann (5)
  - 6 The Englishman, Thomas Mann (6)
  - 7 The Englishman, Thomas Mann (7)
  - 8 The Englishman, Thomas Mann (8)
  - 9 The Englishman, Thomas Mann (9)
  - 10 The Englishman, Thomas Mann (10)

## MOVIES

- 1 The Thin Red Line, John Galsworthy (1)
- 2 The Thin Red Line, John Galsworthy (2)
- 3 The Thin Red Line, John Galsworthy (3)
- 4 The Thin Red Line, John Galsworthy (4)
- 5 The Thin Red Line, John Galsworthy (5)
- 6 The Thin Red Line, John Galsworthy (6)
- 7 The Thin Red Line, John Galsworthy (7)
- 8 The Thin Red Line, John Galsworthy (8)
- 9 The Thin Red Line, John Galsworthy (9)
- 10 The Thin Red Line, John Galsworthy (10)

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## Women power

From best-selling author Fay Weldon came a new book, *Big Women*. A book of feminism over the past two decades, the book follows six women who start a publishing company in 1970s London. Between authors' letters and e-mailing, they discuss 40 years from child sex to wife abuse.

# Passages



**CONVICTED:** Former Saskatchewan premier Murray Baker, 59, of Regina. Baker was found guilty of taking taxpayers of more than \$22,500 by making false claims to the province's attorney general's allowance during the 1982-1991 administration led by premier Grant Devine. Baker, the 10th Saskatchewan Tory to be convicted of fraud, will be sentenced on April 16.

**DIED:** One of the first women war reporters, Martha Gellhorn, 89, in London. Gellhorn started covering the Spanish Civil War in the 1930s, and continued to work as a war correspondent into the 1980s, reporting on the conflict between the government of El Salvador and leftist guerrillas. She was named three times, including to author Ernest Hemingway. An acclaimed writer, her books include *The Heart of the Matter* and *The Invisible Woman*.

**DIED:** Longtime baseball broadcaster Harry Caray, 77, of brain damage sustained during a heart attack, in Rancho Mirage, Calif. The career of the Hall of Fame broadcaster spanned close to 60 years, most spent with the Chicago Cubs and White Sox. His trademark was singing *Let's Go to the Ball Game* in the seventh-inning stretch.

**DIED:** Broadway composer Bob Merrill, 77, from a self-inflicted gunshot wound, in Los Angeles. Merrill's musicals include *Porgy and Bess*—later made into a 1958 film starring *Benjamin Franklin* and *Caravaggio*. He had been suffering from prolonged depression.

**CONVICTED:** Prime Minister Jean Chrétien's adopted son, Michel Drouin, 29, of assault, after throwing tobacco rolling equipment at a former girlfriend and accidentally hitting her two-year-old son, in Regina. He received a nine-month suspended sentence after pleading guilty.

**MARRIED:** Hollywood star Sharon Stone, 39, and San Francisco Examiner executive editor Phil Stransky, 47, in Los Angeles. It's the second marriage for Stone, who used to marry with the 1991 film *Basic Instinct*, and the third for Stransky.

ENTERTAINMENT WEEKLY 20

# 'A TICKING TIME BOMB'

## Quebec politicians step up their attacks on Ottawa's secession case

BY JOHN GEDDES AND BRENDA BRANSWELL

It was the moment when a bad week for the Liberal government's Quebec strategy got worse. After three days of hearing dry legal arguments, Chief Justice Antonio Lamer leaps Day 4 by injecting some tough political considerations into the Supreme Court of Canada's hearings on the so-called Quebec reference case. What would happen, he asked, if after a vote to secede, Quebec and the rest of Canada came to an impasse over the terms of secession? Or what if Ottawa and other provinces refused to negotiate at all? What about the rights of Quebec aboriginals? These and other hard questions faced the federal legal strategy off the rails, in asking the court to rule on whether Quebec can secede unilaterally. The government had hoped for a decision based only on legal principles. Lamer's queries served notice that the court plans to consider political realities, too. "The judges seem to be justifiably frustrated with some of the narrowness in the way the federal government has put the case," said University of Toronto law professor Robert Howse.

While the federal lawyers stand strong-willed judges at the Supreme Court, their political bosses were under a different sort of pressure two blocks away along Wellington Street on Parliament Hill. Not since the darkest days of the 1995 referendum campaign has Prime Minister Jean Chrétien's strategy for keeping his home province in Canada come under such sustained attack. Chrétien's tacticians already knew some leading Quebec federalists opposed their decision to seek a court ruling that Quebec cannot secede unilaterally. But bitter criticism from Quebec Liberal leader Daniel Johnson and federal Tory leader Jean Charest took the matter by surprise. The Bloc Québécois exploited the discord in the federal camp by going on. In the House, a gruff-faced Stéphane Dion, minister for intergovernmental affairs and Chrétien's point man on the Quebec question, could only hope the legal substance of the case would outlast the political anger. "After the sound and fury of the Bloc bannered down, the arguments will still be there," Dion said. "And the Quebecers will hear them."

But they will not hear exactly the arguments Dion had in mind. The government's lead lawyer, Yves Fassin, pleaded with the court to accept simply that the Constitution of Canada would continue to apply even if Quebecers voted to secede. Under the Constitution's amending formula, secession, that could mean enormous provincial consent is needed for legal secession. Lamer's questions, however, pushed beyond the government's narrow requests to broader political questions, including a historical right and even the possible partition of Quebec. "The court is almost certainly set going to decide this case on the historical technicalities," Howse said. On the other hand, there is little chance the court will accept the Quebec government's view that



Protesters outside the Supreme Court strong-willed judges

separation is a matter of pure populist politics in which the constitution has no say. Beyond that, a wide range of outcomes are possible in the judge's mind, expected to be rendered no earlier than June.

Still, Liberal officials say they are confident almost any decision will ultimately strengthen their hand—by showing that the result of voting to secede could involve complex and potentially divisive matters such as negotiations with minorities, or in response with the federal government over the disputed terms of secession. "We never believed the impact of the reference was going to be in the week the court was hearing the case," said a senior official in the Prime Minister's Office. "But during the next referendum campaign, when Quebecers go out and they are going to know the consequences of a Yes vote, that will

come them to think twice." For now, though, it may be federal Liberals who are emboldening their approach. One aide to federal cabinet minister Jean Charest, who asked not to be named, said the government should have come up with a more aggressive strategy for explaining to Quebecers its reasons for making the reference to the court.

In the province, pundits were heaping criticism on Ottawa's strategy. "The Supreme Court isn't the place to resolve these purely political problems," declared Alain Dubuc, the editor-in-chief of Montreal's *Le Presse*, who accused the Christian government of taking the court a "ticking time bomb." Other critics said the case will only help Bloc leader Bernard Landry's campaign as he runs his provincial election later this year. "Quebecers see the Supreme Court reference not as an opportunity to close up the legal consequences, but as a ploy by the federal government to use the court politically to

block those who want to allow people in Quebec to choose their own future," said Charest. "That's the best justice Lucien Bouchard is getting."

Making the political case for referring the issue to the court was no easy task. At the start of his presentation, Fassin took pains to emphasize that the federal government was not challenging Quebecers' right to secede on their future or hold a referendum. All Ottawa wants the court to decide, Fassin said, is that any political choice must be exercised within the existing constitutional rules. But that is a subtle point compared to Bouchard's fiery rhetoric about Ottawa attempting to undermine Quebecers' freedom to choose. According to Desmond Morris, the director of McGill University's Institute for the Study of Canada, Bouchard's appeal to the democratic will of Quebecers over the fine points of constitutional law is bound to find a ready audience. "Quebecers bite the message that they have no right to decide their own future," says Morris.

How long Bouchard can ride the wave of indignation generated by the case remains to be seen. His government showed more signs last week of trying to consolidate its support in anticipation of an election, widely expected by fall at the latest, which would be four years into its mandate. Among other moves, it expected \$15 million into the health-care system after an outcry over hospital overcrowding. But with the court not expected to rule for several months, and some observers predicting a narrow decision that will quell at least some of the outrage in Quebec, Bouchard's best opportunity for a second term hinges on the court staying a working issue before the decision is rendered. So far, the Bloc Québécois appears to have public opinion on its side. A recent poll showed 79 per cent of respondents thought Quebecers' referendum votes should proceed over a Supreme Court ruling. Still, the case did not dent Quebec's popular radio talk shows or nightly newscasts. In fact, much of the noise generated against the reference likely came straight from voters already committed to the separatist agenda. The PQ staged a protest rally last Friday night in Montreal, before its weekly meeting, and the Bloc held a flag-waving demonstration in front of the Supreme Court last Monday.

On the federal scene, the Quebec reference has already had what looks like a lasting impact. With the federal party supporting the government's decision to put the secession issue before the court and the Conservatives staunchly opposing, the question has put an other nail in the coffin of the "win the right" strategy. The two must have personal exchange on the issue was between Charest and Charest. "Someone also believes in Canada should not vote with those who want to break up Canada," Charest said after Charest's Tories voted in favor of a Bloc motion asserting the right of Quebec to decide its own future. Yet Charest insisted that when it comes to smaller referendum, federalists will close ranks, as they did in 1995. He even claimed that debate is in sign a triumph for the pro-Canada side. "I think it's not a very healthy situation that there are people who have different perceptions on this," Charest said.

For now, the most closely watched debate—the one among the country's top judges—is taking place in the absolute privacy of the Supreme Court's conference rooms. While the political heat of their questions last week suggested they will put stick to Ottawa's script for a stern, legalistic ruling, the judges also gave the separatist side case for concern. For instance, Quebec City lawyer John Côté—who was appointed by the court to argue the sovereignty point of view when the Quebec government refused to participate—forced uncomfortable questions on decisions within Quebec. Seeking answers from John Côté that seemed to suggest Quebec's population could be divided into "citizens" and "people," Lamer asked, "In other words, are we talking about French-Canadian people who live in Quebec to the exclusion of all others?" John Côté promised to deliver a written argument that the right of secession belongs to the Quebec people as a whole, but that the rights of minorities in the province may short of the right to secede. With the court plunging into such contentious issues, the political turmoil surrounding that world's hearings may merely have to the fuse for a bigger explosion when the final judgment is delivered. □



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## CANADA Face of a nation

**S**tatistics Canada's groundbreaking report on ethnic origin and visible minorities had barely been released, and already television executives at CEMT International were busy cranking numbers. A lot was at stake. The station broadcasts in 22 languages throughout southern Ontario, and the Statistics Canada report shows it revealing spotlight on its target audience. For instance, the station learned that fully one-quarter of Toronto's visible minority population is Chinese—about 255,000 people in total. Knowing the size of the market is important for landing its prime-time advertising aimed at particular ethnic groups, says Madeline Zink, the station's vice president. "This report," she adds, "will reinforce with advertisers the need to communicate with these communities."

Statistics Canada's snapshot of Canada's ethnic makeup will be a boon to business people like Zink. But not everyone is as pleased. The controversial report, based on the 1996 census, is the first in Canadian history to ask so precise and sensitive a question about visible minority status. People were asked to identify themselves as, for example, Chinese, Filipino or Vietnamese. Some of the findings: more than one in 10 Canadians—11.2 per cent, or 3.3 million people—identified themselves as a visible minority; of those, 39 per cent were born in Canada, the next answers were the Chinese (36.00), or 27 per cent of all visible minorities), followed by South Asians

(27.00), or 21 per cent) and blacks (23.00, 18 per cent).

Statistics Canada says the data are needed to enforce the Employment Equity Act, which tries to ensure visible minorities fair access to jobs under federal jurisdiction. But MP Dennis O'Brien, the Reform party's critic for citizenship and immigration and an opponent of the act, says Canada is becoming dangerously like the United States, where everything from birthplace to race is tabulated along race lines. O'Brien, an East Indian born in Taiwan, also says that using Statistics Canada numbers to ensure hiring practices will only cause resentment and prompt people to ask, "Why is this group getting special treatment?"

More political jousting resulted from rather unexpected findings in Quebec. For the question about a person's ethnic origin, Statistics Canada for the first time listed "Canadian" as a possible choice, among others such as French, English, Mexican and Portuguese. Across the country, about one in five respondents, 19 per cent, said their ancestry was exclusively Canadian. Another 17 per cent and British Isles. But in predominantly French Quebec, only 19 per cent of the province's residents identified French as their roots, while a surprising 38 per cent said their background was Canadian. Some federalists quietly feared that perhaps Quebecers had devel-

oped a sudden love affair with Canada, a suggestion that Bloc Quebecois leader Gilles Duceppe quickly tried to shoot down.

"They're trying to play politics with Statistics Canada just like they're trying to play politics with the Supreme Court," Duceppe said last week on the 14th court confidence of Quebec's right to federal independence unilaterally. "This is very childish."

Whatever a person might call it, the report offered Canadians an unusually intimate and unprecedented look at the nation. While the 1981 census identified "colored" persons, and the 1981 census designated as persons either white, black, yellow or red, the 1996 accounting of the population was much more specific, asking people to identify themselves as one or more of 10 categories, including the following: Chinese, South Asian (such as East Indian, Pakistani, Punjabi, Sri Lankan) and black (African, Haitian, Jamaican, Somali and so on). (The 1996 1.1 million respondents were tabulated separately.) The report concluded that virtually all visible minorities (94 per cent) live in metropolitan areas, mostly in and around Vancouver, Toronto and Montreal. Among Vancouver's visible minority population, nine out of 10 were Asian, with Chinese the largest group. Montreal was found to be home to 92 per cent of Quebec's visible minorities, with blacks—many of them Haitian—the city's largest group.

Not surprisingly, that statistical segregation of the population has conjured up fears among some critics that Canadian society might be on its way to mimicking issues like welfare fraud and crime. Politicians figure as visible minorities could be cross-referenced with crime statistics to see whether a particular minority was committing a disproportionate number of offences. But Bruce Chambers, chairman of the multi-faith liaison committee of the Canadian Association of Chiefs of Police, says law enforcement officials are not about to do that. "I think that just looking at people by the color of their skin or their country of origin might be a very simplistic approach to analysis of crime statistics," Chambers says. "There is a significant number of other variables that need to be addressed, including education and poverty."

A better use, says Statistics Canada analyst Vivien Bernard, would be to cross-tabulate population figures with education, needs or unemployment to measure diversity leading to better teaching programs and health care. "But," Bernard adds, "it's unclear." But she does go with numbers is that they can be made to say many things.

DANIEL HANULESHKA



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Bruce Wallace

## Political power play

**P**oliticians temper with sports at their peril. That's the message one dropped football club is Robert Stanfield or how ridiculous Richard Nason looked wading in a play from the White House bench for the Washington Redskins to use in the 1973 Soviet Bowl. (A difference of degree, of course. Nason's play lost the Redskins a few yards. Stanfield's tumble was a disastrous stage for him in the 1975 election campaign.) Since the world of Don Cherry and Jean Chrétien seem to share little more than a propensity for tainted syntax, politicians are usually advised to limit their sporting appearances to that ceremonial level—then to take their seat.

So political eyebrows arched last fall when Toronto MP Dennis Mills argued the federal government should hold hearings into Canada's sports, including why NHL franchises seem to be heading south of the border. Mills is an energetic, canny MP—sometimes dismissed as a fake by his colleagues—who takes his sports seriously. When the Commons' Heritage Committee met after the June 2 election, members weaved around the table, making suggestions on what they should do in this Parliament. "They all talked about history, arts, culture—the usual," recalls Mills with a laugh. "I said, 'Listen. This is a cultural heritage, too, and my culture is sport.' You should have seen the looks I got."

As a member of the industry committee in 1994, Mills tried to get Parliament to study the impact of sports on Canadian society. But Industry Minister Jean Manly shut down his appeal for an inquiry. Too frivolous, he said. Mills returned to the issue after the last election, this time casting the proposed inquiry in ways that his fiscally driven colleagues could understand: sports is a matter of jobs. Another and professional sports play a "tremendous role in the Canadian economy," says Mills, but no one knows just how big it really is. "We don't treat the financial industry as frivolous," he says. "We don't treat teachers that way." He got his subcommittee, and hearings began in December.

But there is another explanation for the Liberals' willingness to dig their toes into the sports world. Ottawa is hungry for new, suc-

cessive ways to show the federal government's relevance to Canadians. Since the Liberals came to power, hockey teams have left Quebec City and Winnipeg for U.S. cities—and Edmonton's already tings by a shored-out skate lace. A federal inquiry showing Ottawa's concern for preserving the Canadian spirit in the NHL offered obvious political benefits. "The PM loves that," said Mills. "One of the greatest anything sports we have is sport." (Language Minister Sheila Copps rolled that line in Quebec, saying the Liberals "love sports as an important part of nation building.")

The Mills committee aims to offer recommendations in June. Those may include a national sports lottery to fund amateur sports, a move that would muscle into the provinces' control of lotteries. But the committee is guaranteed a high profile in early April when NHL commissioner Gary Bettman is expected to visit Ottawa to testify about the league's future in small Canadian markets. The commissioner's appearance will come soon after it is decided whether the Oilers will stay in Edmonton, raising the possibility that he will arrive in the charged atmosphere of another Canadian from chase preparing to head south.

The NHL is chafing at a government where owners can get soccer data on the spot, their teams have no local economic. Mills clearly expects the news to be good, and was cautiously what he sees as a positive story the NHL has to tell. But Bettman may have a surprise or two for the politicians. He has always been quiet about the need for the league to retain its Canadian element. But NHL executives feel strongly that they are unfairly blamed for hockey's Canadian troubles. They argue that it was the Alberta government's insistence on calling owner Peter Pocklington's team that put the Oilers franchise in peril. They complain about high Canadian taxes and suggest that Ottawa keep its dollar low to help Canadian experts, making it more expensive for teams to come to Canada than the United States. The Liberals may have seen the Mills committee as a way to look good as a national safety. But they risk hearing a contrarian view: that it is their fiscal policies that are really dragging the Canadian game.

## A backbencher's campaign for more support for sport could have unexpected consequences

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## Canada NOTES

### MARTIN'S SHIPPING NEWS

Blue Quebecers, Tory, NDP and Reform MPs joined forces to accuse Finance Minister Paul Martin of an apparent conflict of interest. Martin is currently sponsoring a bill to amend the Income Tax Act. The MPs say a provision in the bill could benefit Martin's company, Canada Shipping Lines Inc., now in a blind trust—and they want a parliamentary subcommittee to investigate. The Liberals rejected the demand.

### GOING, GOING...

The on-again, off-again attempt by Edmonton Oilers owner Peter Pocklington to sell his NHL team to Houston businessman Les Alexander now appears back on track. The bank handing the sale, Alberta Treasury/FinMach, accepted Alexander's \$110-million offer. Local investors have until March 13 to raise the money needed to keep the team in town.

### HALIFAX WAITING GAME

On Feb. 27, Judge Judith Rendell told a jury whether prosecutor Dr. Nancy Morison should be tried for the first-degree murder of Paul Matis, a 62-year-old formerly ill patient who died in 1996 at the Victoria General Hospital in Halifax. At the conclusion of Morison's preliminary hearing last week, Rendell raised the possibility of leaving Matis's charge against Morison, admitting a nervous submission. The case is expected to ignite debate over the question of euthanasia.

### A DEEPENING MYSTERY

Rumors continued to circulate in the case of Myles Neale, 10, who died on Feb. 12, six days after being found hanging on a school coat hook in Chatham, Ont. Citing an unnamed source, The Toronto Star reported that Neale was finally hanged during a game of tag when a teacher's residence he was visiting strangled him. Police dismissed the report as speculation.

### THE REGAN CASE

Justice Michael Macdonald reserved judgment on a prison defence motion to stay all or some of the 10 sex-related charges against former Nova Scotia premier Gerald Regan. Macdonald's ruling is expected by the end of March. Regan's defence team, headed by Toronto lawyer Edward Greenstein, claims the RCMP and prosecutors have treated Regan unfairly.

## Suspension of disbelief in Ottawa

Already beset by allegations that it is a meeting more than a costly parking lot for political horse-trading, the Senate endured another blow. Three months after Prime Minister Jean Chrétien tossed Senator Andrew Thompson out of the Liberal caucus for nonattendance, members of the upper chamber finally discovered a way to separate Thompson from his annual \$64,400 perquisite and another \$10,000 expense allowance in a virtually unanimous vote. Of 54 senators (five other 50 were absent) suspended Thompson for the rest of the current session, with no pay, for contempt. There was one abstention and one senator who wanted Thompson expelled. Since 1990, when records first began to be kept, Thompson has attended only 12 out of 428 sitting days, just enough to avoid outright expulsion. He avoided fines for non-attendance by filing a statement doctor's notes



Thompson strutting in Ottawa—suspended

as a 100-cent hourly fee in nearby eastern Ontario; neighbors say they have frequently seen the flake-looking Thompson working around his well-maintained properties. The suspension will not affect his \$50,000 senator's pension, as well as a pension he receives as a former MP.

stating that he would visit clients. Since expulsion was not possible, the Senate merely passed a rule allowing it to suspend members found in contempt. Such a finding was made against Thompson last week after he failed to appear to explain his absences. Thompson will be compelled to retire when he turns 75 in December, 1999.

But from his perspective, he was probably a good run. Thompson, 73, was appointed in 1987 by Prime Minister Lester Pearson, after serving briefly as Ontario Liberal leader. He maintains a spacious home in Mexico, as well as a 100-cent hourly fee in nearby eastern Ontario; neighbors say they have frequently seen the flake-looking Thompson working around his well-maintained properties. The suspension will not affect his \$50,000 senator's pension, as well as a pension he receives as a former MP.

### PEOPLES

## The B.C. shuffle

With British Columbia's economy slipping, and the trust built only slowly in the wake of Premier Glen Clark's introduction of a major cabinet shuffle, the left only four ministers unaffected. Chief among the changes was the removal of Andrew Pettit from Finance. Former health minister Jay MacPail, a longtime labour economist for the B.C. Federation of Labour, takes over the troubled portfolio. The move—made while Clark, who is now down to seven cabinet members, is seen as a signal to the business community that the NDP is serious about turning the province's economy around. Clark is considering delaying plans for a balanced budget next year, in order to cut business taxes—and create jobs. Pettit will now head the new ministry of advanced education, training and technology. While Clark said MacPail "brings a fresh perspective," he also downplayed reports of a rift between him and Pettit.

## The politics of memory

After months of heated debate, the Canadian War Museum in Ottawa and its \$12-million renovation and expansion plans will not include a Holocaust gallery. Adrienne Clarkson, chairwoman of the Canadian Museum of Civilization, under whose jurisdiction the war museum falls, said the museum's board had accepted its advisory committee's recommendation to devote the entire expansion to showcasing Canada's war history. The decision ended an intense confrontation that began last November when the Canadian War Museum said a Holocaust gallery would occupy one-third of its planned expansion. Upon vigorous complaint that they had not been consulted, and worried the Holocaust exhibit would depict the era of space necessary for recounting Canada's war effort, the Senate's veterans affairs subcommittee held a week of hearings in early February at which both veterans and Jewish groups called for a separate site for the gallery. As a result of the near-a-year brawling, which Clarkson acknowledged, the board named several veterans and military officials to the war museum's advisory committee. "It wasn't a question with us that the Holocaust gallery was wrong," said CKL Chadderton, chairman of the National Council of Veterans Associations. "It's just that we need that space." Clarkson said the board now favors a site devoted exclusively to the Holocaust.

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# Poised at the brink

BY BARRY CAHILL

Saddam Hussein, unlike the strutting dictator of seven years ago, has nearly vanished into public view during the latest crisis in the Persian Gulf. When he has, however, an ominous new element has crept into his carefully scripted appearances. Invariably, he is surrounded by a cloud of men of uniformed, off-beating young men. To the untrained eye, there is nothing special about this gaggle of security troops. But to those who closely monitor his activities, they represent a potent psychological weapon in the Iraqi strategist's declining but still clearly arsenal. For they are a new style of personal bodyguard—bravely armed, lightly trained, highly disciplined. "It is Saddam's way of sending all of us a warning," said former Iraqi diplomat Ghassan Atiyeh. "He is telling us: 'Get rid of me and you will let loose upon the land uncontrollable forces, capable of sweeping everything away in a bloodbath of unimaginable dimensions.'"

It was a message well worth pondering by those in command of the U.S. led air and naval armada assembled in the Persian Gulf, poised to strike out at Iraq if Kofi Annan failed in his eleven-hour attempt to avert a war. The UN secretary general was trying at the weekend to achieve what his predecessor, Javier Pérez de Cuellar, could not on the eve of the Gulf War in 1990. Annan carried with him a proposal that senior diplomats accompany UN arms inspectors on visits to sites that Saddam has declared off-limits, providing the cost. The Security Council overrode the plan by deciding to \$1.4 billion the amount of oil Iraq is allowed to sell every six months in exchange for food and medicine.

Pivotal the urgency of Annan's efforts was rising global concern over the crisis. What once seemed a simple U.S. threat to punish Saddam had morphed into a showdown whose consequences could be perilous—not only for Iraq but for the region as a whole. For U.S. interests in the Middle East, perhaps even for U.S. relations with its Western allies. "We are all going to face a bit of a problem," commented a worried Egyptian President Hosni Mubarak last week, pointing at Iraq. "And I am not talking about governments in just this part of the world."

To be sure, it is Iraq's long-suffering population who would bear the brunt of any attack. Even if America managed to find a way around the impasse—on Saturday he met her—a "rather optimistic" that he



U.S. carrier crew in the Gulf reads a Silverdome missile. Annan (left), per

would secure an agreement to open all suspected weapons sites—Iraq's 22 million people were not likely to see such immediate relief. "If there is a deal it will be short-term," insisted Tim Trevis, an analyst with London's International Institute for Strategic Studies and previously an adviser to UNSCOM, the arms inspection agency. "Almost as soon as it is signed, you can bet that Saddam will busy itself to undermine it."

The geopolitical stakes were, however, high and armed Iraq. Should U.S.-led raids against Iraq succeed in the untested but apparent objective of disabling Saddam's security apparatus enough to spark an insurrection, Iraq's people could face prolonged civil turmoil at least as ugly as occurred after the 1991 Gulf War, when Saddam's Republican Guard, with marauding efficiency, suppressed rebellion in 25 of the country's 18 governorates. "Much blood will be shed," warns Laila Khalil, a London-based leader of the moderate Islamist opposition to Saddam's rule. In the most dramatic scenario, Iraq could well be described by one or more of its neighbors, particularly if Saddam were toppled or killed and no strong successor emerged. Turkey, wary of the violent Kurdish population that straddles both sides of the country's border with Iraq, has already massed 70,000 troops on the Iraq front



## Fears of global repercussions spur Annan's Iraq peace bid

ter. What the Ankara government fears is the creation of an independent Kurdish state in northern Iraq that would threaten Turkey's ever-restive Kurds to do the same. It is the principal reason why Turkish President Seiyun Demirel sent his foreign minister to Baghdad last week to give Saddam Hussein a clear message—the Iraqi return is coming if you do not comply with the demands of the United Nations.

On Iraq's eastern borders, Iran, too, was mobilizing troops. Precisely why remains under Iraq's ruling circles, like all other leaders in the region, have denounced plans for a military assault against Iraq. Early in February, Saddam's son Qusay, in charge of Iraq's all-pervasive security apparatus, met with his Iranian counterpart, apparently in an effort to heal some of the wounds inflicted by the eight-year war the two countries fought during the 1980s.

At the same time, however, at least some factions in the Iranian government—including newly elected moderate President Mohammad Khatami—are in the midst of a mid-fair season with the United States. Only last week, an early sign of a thaw occurred when a U.S. wrestling team arrived in the Iranian capital to compete in a tournament. For the first time since the overthrow of the Shah in 1979, the U.S. flag was cheered in Tehran rather than burned and

trampled. Some analysts speculate that Iran is preparing to exploit the current crisis to reconquer hostilities with Iraq.

Whatever the accuracy of that judgment, it is true that the long-standing American policy of "dual containment," geared to isolating Iran and Iraq, is currently in shreds. In fact, U.S. policy in the region has resulted in a paradox: it is Washington that now stands in danger of being isolated. With the exception of Kuwait, not a single Arab country is supporting the U.S.-led effort to attack Iraq. Even Bahrain, home base for the U.S. Fifth Fleet in the Gulf, last week withdrew permission for the use of its territory to launch air or naval strikes against Iraq, a decision that also complicated Canada's military role in the standoff.

Until the Bahraini change of mind, it was widely assumed that Canadian forces in the Gulf would be based in the island state. Two Hercules KC-130s were expected to operate out of Bahrain's sprawling Shuaiba air base. The Viscount HMCS Toronto, at the Red Sea last week, was also heading for the port of Manama, Bahrain's capital. By week's end, however, Canadian Forces headquarters in Ottawa still did not have a clear idea where the Toronto or the Hercules, much less supporting troops, would be based.

There was no great mystery behind Arab concerns. Bahrain's leaders, like those of most Arab states, feared that if war broke out on Iraq, the ground beneath their own feet would tremble, unleashing waves of popular anger and extremism. Washington's allies in the region are particularly vulnerable. There have already been riots in Jordan. In Iran, Islamic extremists are promising more suicide attacks. "The rain in the street in most Arab countries seems to be justice, or even justice in American policy," says London-based Iraqi exile Sabih Makhrum. "The Americans do not harm the Serbs when they defied UN resolutions. They do not bomb Israel when it refuses to implement UN directives."

That state sentiment underlies a European rift, once Britain, to exacerbate the U.S. ambivalence understandably. That, in turn, has sent a message that came from the American homeland last week. In the sports arena at Ohio State University in Columbus, Secretary of State Madeleine Albright, Secretary of Defense William Cohen and National Security Adviser Sandy Berger faced a series of tough questions at an "international townhall meeting" broadcast globally on CNN. Embarrassingly, a small class of protesters disrupted the session with chants of "Over, over, over, over—don't want your racist war."

The negative reaction in Ohio further rattled members of the U.S. Congress, who have already been warring on backing a military strike. To many, the fundamental problem was the lack of clear objectives. "We don't know what to call this," complained retired colonel William Taylor, director of military studies at the Center for Strategic and International Studies in Washington. "It is a war if it is a police action? We have no strategic objectives. We have no policy. There is no definition of victory. We would know the victory looked like if we got there. For the United States and its allies in the Gulf, that was hardly a clarion call to arms."

With ANDREW PINELAYS in Washington and LIZZY FORDE in Ottawa



## Power behind closed doors

It meets in a windowless room on the third floor of an imposing stone building. Its proceedings are shrouded in secrecy. Those summoned to appear before it, on pain of severe punishment, must go alone, without lawyers or advisers. They can be questioned for hours by big teams of prosecutors who are allowed to ask about unanticipated rumors and other details that would not be permitted in a regular courtroom. Not surprisingly, the ordeal is often unnerving. Those who have been through it use words like "intimidating" and "Big Brother at its worst."

There are many things that non-Americans find puzzling about the secret-and-fairly-academic swirling around President Bill Clinton. How Americans can simultaneously tell politicians that they believe he is being decidedly economical with the truth in describing his relationship with Monica Lewinsky only to confirm White House intent. Monica Lewinsky—and give her approval ratings that are the envy of politicians everywhere. How Americans can revere the presidency—and spend so much time tearing down even people who hold the office. And why a country with such a fierce dedication to individual rights and secure lawyers per capita than any other on Earth often so heavily an legal world like the one meeting on the third floor of the federal courthouse in Washington.

Appearing before the grand jury convened by independent counsel Kenneth Starr to look into the Clinton-Lewinsky claims has been as unsettling experience for many Lewinsky's mother, Maria Lewis, found it so hard to take that she emerged shaken—emotionally overwhelmed and distraught," in the words of her lawyer.

No wonder. Even aside from the stress of being forced to testify against her own daughter, Lewis faced something that has no equivalent in other countries with a similar legal tradition, such as Canada and Britain. In Canada, the closest parallel is a preliminary hearing, where a judge reviews the evidence that Crown prosecutors have against a person and decides whether the case should go to trial. Lawyers for both

sides are present, the judge runs the show, and the rules are close to that of a trial. Not so with an American grand jury, which typically has 23 members. The prosecutor is in charge, and almost anything goes. "You can bring in anything you pick up—rumor, hearsay, the works," says John Barrett, assistant professor of law at St. John's University in New York City and a special prosecutor during 1994-1995, the armed-for-loans scandal of the 1980s. Witness

the University of Toronto's law school, "is that a grand jury will indict a lion without the aid of the prosecutor telling it so." It is also, says Roach, part of a great American tradition—the prosecutor as crusading crime fighter, with one eye on his political future. Nothing could be further from the practice in Canada, where Crown prosecutors almost always remain anonymous and servants. Americans, adds Roach, "see in some ways more robust crime fighters than we are."

The legal power brought to bear by Starr is further increased by another controversial law—the 20-year-old statute that established the position of independent counsel. It is part of the Ethics in Government Act, passed in the wake of the Watergate scandal when an indicted president Richard Nixon fired Archibald Cox, the special prosecutor who was looking into the matter. The idea was to make sure that future investigations of executive wrongdoing would be free of political interference. Since then, independent counsels have conducted 18 inquiries. When Republican presidents were in the White House, their party railed against the independent counsel law. It gives special prosecutors virtually unlimited time and money, they complained, to pursue what amounts to an ongoing investigation against the president and his staff. Yale University law professor Akhilesh Kumar calls it "put the crime on the docket—first you pick the person, then you find a crime to stick him with."

Now, it is Democrats who are the targets—and they do not like it any better. Starr, they say, is a die-hard Republican conducting a political witch-hunt against Clinton in the guise of a legal inquiry. He tactics, they add, are those of a bully. He intimidates witnesses, forces parents to testify against their children, leaks confidential testimony to the media, and secretly wires friendly witnesses to gather evidence. As Lewinsky's ex-cousin friend, Linda Tripp, did to record her graphic tale of an alleged affair with Clinton. The truth may be less dramatic. Starr may just be making best use of the law that give American prosecutors such extraordinary power.

even, including those who may face charges as a result of the proceedings, cannot bring in lawyers. "The idea is to get the unadorned testimony of a witness," says Barrett. "Lawyers, frankly, get in the way."

True—but they also have a tendency to protect their client's rights. The irony is that grand juries originate in medieval England as a shield against arbitrary power, sometimes used to convince a panel of local people that they really had evidence of a crime and weren't just trumping up a charge. And during the fight for American independence, grand juries were celebrated for providing popular resistance against British rule. But the modern American grand jury is the opposite: it is the most powerful weapon in a prosecutor's legal arsenal. It can not only bring charges against a suspect, but often dig up much of the evidence against him (or her) for the police in Canada. "The common wisdom in the States," notes Kent Roach of



Starr grand juries are a U.S. prosecutor's strongest weapon.



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## Return of a dynasty

**K**mal, her first lenders with saddlebags made of 500 grams of silver each, her tankard arms increased with standards from armpit to wrist, she stands tall and the mud of the rains runs down the dry folds of her sari. She is a woman of Kolahat, a state in western India that is one of the poorest in the country, and cars are still relatively rare. "Sonia Gandhi, Sonia Gandhi," mums Mrs. Kesar, who goes by only one name. Then it dawns: Indira Gandhi's daughter-in-law? She says indignantly: Even in a village so underdeveloped as rural Rajasthan, where there is no industry and female literacy lags behind below five per cent, there is no one calling it the Gandhi's back.

Susan Gudi, the fiercely proud, Italian-born widow of slain former prime minister Indro Gudi, may seem an unlikely heir to Italy's most controversial political legacy. The Nduro Gudi clan has encouraged strife for more than half a century, producing three generations of prime ministers. The latest descendant to the legacy made her political debut little more than a month ago, addressing a Jan 11 campaign meeting only a kilometre from the spot where her southern industrial town of Siriguano border with her husband was blown up in a 1991 Lebanese Tami Tiger suicide bomber in Siriguano. Since then, she and her glamorous children, on *Radio 27* and daughter Priscilla, 36, have been driving large and cathartic crowds all over the country in the current

general election campaign. Sonia has even become a front-page fixture in Indian newspapers, a development all the more surprising because the 51-year-old widow shuns the press. She has granted only one interview in her life, in 1985, to a Hindi-language women's magazine.

The grimaced Soudi's character is not immediately apparent. In the four or five campaign meetings she addresses every week, she still reveals her openness as a woman. But her character is not so obvious. Her blithe, Indian, arch displays in magazines in northern India, as well as her English, are laud of a heavy Italian accent. There is no wall of spontaneity. Her voice are artificial and her smile is a heavy, open-mouthed grin. But her character is written on her face as the Roman alphabet over the dot of her forehead. In fact, she is created to extract the maximum sympathy from a mostly non-religious and secular, and to seduce those who argue that her foreign birth made her immune to the religious fanaticism that has today on the one hand made her the blood of my husband who died a martyr to the cause of the nation's unity and integrity, she said at Seipharanah. "I alone here, surrounded by security, where her husband was killed, facing his assassin's angry and alive."

The voting has already started in the election, which takes place less than two years after the last exercise produced an inconclusive

sive sector. But because of India's vast electorate of 600 million, and polling in places which last week counted 70 million, voting is staggered in different areas over two weeks to allow security forces to move around the country. Counting begins on March 2. It is already clear, though, that Gandhi's entry into the political life she is reputed to abhor has transformed the race—and the fortunes of the Congress party her family long dominated. She is not contenting a seat herself and holds no formal position in the party, but as far as Congress loyalists are concerned, the prime minister's place here is for the taking.

Congress pulled the plug on Prime Minister Indira Kumar Gargi's coalition government in November after he refused to expel a Hindu party that a judicial inquiry had linked to the Bhoj Ground's contamination. The next month, after years of criticism from Congress leaders, Sonia announced she would take the plunge and campaign. Before that, the Congress had been heading for a disaster, staggering before the wrath of the right-wing Shakti Bharatiya Party. Regional and left-wing par-

the BJP's next major upsurge in popularity. In the 1996 general elections, the party (government), had also won away a share of the vote from Congress. Even so, no party is expected to win a majority. However, the BJP's political position, and the political position of the other parties, are not so clear. The BJP's political position is not so clear. The BJP's political position is not so clear.

First, the BJP thought it could destroy a by focusing on her foreign origins (not Rajiv at Cambridge University to land in 1985 while she was studying law and he engineering. They were married in 1988, and he eschewed politics until

his brother Sargun was killed in a light plane crash in 1980. The BJP stressed Sonia's reluctance even to adopt Indian nationality until after her husband became prime minister in 1984. But the tactics backfired: Say Gendhi! Gendhis! Gendhis, crowding over her husband's husbando, combs and nail varnish in village markets in the Rajasthan town of Chittorgarh. "Indian Gendhis was like my mother. That makes Sonia Gendhi our sister. Wh shouldn't we like her? She looks like she comes from our country now."

Last week, the BJP's prime ministerial candidate, Atal Behari Vajpayee, dismissed charges for his recent wit in parliamentary debate, resorted to trading insults with Sonia. She called Vajpayee a liar. He spat back the "frivolous allegations and baseless knowledge do not contribute to electoral success."

The BJP's evident panic arises from the prospect that the party may once again be outmanoeuvred when it comes to forming a coalition government from what is widely expected to be a fractured result. After the 1996 elections, Vajpayee held the prime ministership for just 13 days because the BJP could not attract coalition partners. The prospect of another defeat is especially costly as the BJP has undertaken an extensive party rebuild in these elections, attempting to cast off its image as a party of intolerance, against the odds of a hard, hostile to foreign investment and Western culture, and eager to test and build coalition bonds.

On his to his opponent transformation in Vaguest. In party with many incalculable, political vegetarians, he is simple and enjoys a drink. It is also seen as a gentleman and is trusted by the Muslim community which otherwise fears the BJP. The party is

and his disciples, leaving to others the worldly-caring anxiety about building a Hindu temple on the ruins of the Bahrui mosque. The Congress has yet to designate a candidate for prime minister, should it form a government. It is unlikely to be Sonia, although she is eligible. But the family's future in politics seems assured. Daughter Priyanka, who married a Delhi businessman last year, won't see Sonia's side through much of the campaign and, unlike her anxious mother, reveling in the attention. Although elude brother Rahul also took part, after recently returning to the heat and dust of India from London, the media has mounted Priyanka as the next Gandhi heir apparent. The dynasty is not just blood—it is *consciousness*.

RICHANNE COLTENEER on *New York*

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## World NOTES

### SINN FEIN OUT

Sinn Fein, the Irish Republican Army's political wing, was expelled from the Northern Ireland peace talks until March 5. The British and Irish governments made the move after the IRA was blamed for two killings in Belfast a week earlier, although the IRA denied responsibility. Sinn Fein asked Dublin's high court for an injunction to allow it to stay, but the two governments insisted the court had no jurisdiction.

### KAUNDA CHARGED

Zambia's former president Kenneth Kaunda and his security chief were charged with concealing knowledge of an act of treason in connection with a failed coup attempt last October. The two were the first to be formally charged among 92 people who have been detained under emergency laws. Kaunda, who ruled Zambia from 1964 until elections in 1991, denies he knew about the coup plot.

### BLAMING BELGIAN POLICE

A Belgian parliamentary panel rejected allegations that police systematically protected notorious sex-killing suspect Marc Dutroux. But the report said officers were so scared and corrupt in investigating the parents are offenders that they extended him "indirect protection." Dutroux has been charged in the deaths of four girls. They were captive in his basement where police swarmed his home.

### DOLLY A MISTAKE?

The Scottish scientist who claimed he cloned a sheep for the first time in history admitted there is a "remote possibility" it's a total cat, rather than an adult cat, created Dolly—a procedure that has been successfully performed for two decades. Ian Wilmut, said the donor sheep was pregnant at the time and he may attempt to repeat the experiment to advance critics.

### OPRAH HAS A ROUND

A judge in Amarillo, Tex., ruled that a 12-year-old girl who had shown Oprah Winfrey for \$17 million over a program on mad-cow disease must proceed under a normal business disparagement law, and not the state's so-called vague libel law aimed at protecting markets. The decision makes it more difficult for the defendant to hold her 1996 program on the disease responsible for plunging beef prices.

## Food riots batter Indonesia

Riots protesting the rising cost of food and soaring unemployment raged through several Indonesian cities, leaving dozens of buildings and shops run by the country's minority Chinese—traditional scapegoats during times of hardship. Three people were killed and 154 were arrested in the countryside protests. The worst violence occurred in the town of Panarukan, on the heavily populated island of Java, where dozens of buildings were destroyed. Indonesians, many of whom earn only 70 cents a day, have been devastated by the collapse of the country's currency, which has lost nearly two-thirds of its value since a major financial crisis began last July.

The rioting added to the mounting pressure on Indonesian President Suharto, who has responded to the violence by banning mass rallies in Jakarta and warning that anyone caught hoarding essential commodities will be sentenced to death. Suharto did, however, move to appease his Japanese Finance Minister Hiroyuki Miyoshi, who was expected to lead a weekend meeting of the Group of Seven 8.



Looters and Chinese shops in Yogyakarta. Rioters are caught.

Finance ministers in London that Tokyo was prepared to loan nearly \$3.3 billion to Indonesia, South Korea and Thailand. He also planned to ask the ministers to create a multibillion-dollar line of credit for Indonesia. "I would like to appeal to the G-7," said Matsunaga. "Especially help out Indonesia."

Suharto, however, still faced foreign criticism by pushing ahead with a plan to lock his currency to the U.S. dollar as a way of stabilizing the economy. The proposal has been declared unworkable by the International Monetary Fund, which has threatened to halt its \$60-billion bailout for Indonesia if Suharto proceeds. U.S. President Bill Clinton also called the Indonesian president and urged him to abandon the idea. But with riots spreading, the 70-year-old dictator, who intends to begin another five-year term in March, may feel he has no choice.

## A deadly Taiwan crash

Investigators were still searching for the cause of Taiwan's worst air disaster on the ground, after the plane crashed near the runway of Taipei airport on light rain and fog. Some officials speculated that the veteran pilot had miscalculated after shorting one turbine engine for a second try. The plane's black box was shipped to Australia for analysis.

Board the Airbus 300 jet was killed, along with seven on the ground, after the plane crashed near the runway of Taipei airport on light rain and fog. Some officials speculated that the veteran pilot had miscalculated after shorting one turbine engine for a second try. The plane's black box was shipped to Australia for analysis.

A foundation run by the Taiwanese government donated 71.5 percent of Chen's salary, and there were calls for the government to sell its stocks and disband the foundation due to bad management. Critics claimed the arrangement had led to its being squandered. The action grounded its financing in the Airbus 300s.

## Nevada's germ-terror bust

When a cancer researcher in Las Vegas, Nev., was contacted by two men anxious to test vials of anthrax bacteria, he called the FBI. Twelve hours later, as the men tried to buy the anthrax on eBay, law enforcement met them at the airport and seized a \$26 million, agents seized a beige Mercedes with bags marked "biological" in the trunk. The two men were charged with possession of a

deadly germ for use as a weapon while authorities met one to see how potent was. One of the men, Larry Wayne Harris of Ohio, had bragged that he had enough "to wipe out the city," but police said there was no evidence of any anthrax plot. Harris, a former member of the white supremacist group Aryan Nations, had a previous conviction for obtaining

freeze-dried bubonic plague bacteria by mail order in 1986. At that time, he had told people he wanted to launch a terror attack on the New York City subway, which he believed would be blamed on Iraq. The arrests marked new kinds of domestic terrorism in the United States. Anthrax, which is not often used as a cable and abroad, can be used for warfare in a form that can kill humans within days of exposure.

Canada's best-ever Winter Games packed the power to surprise and inspire

# Magic Moments

BY BOB LEVIN

**T**here were Hermann Maier's Games. They were Maier's Games because, long after the last earnest anthem was played, the last flag raised and the last tryst of triumph or despair traded down the last ruddy cheek, the enduring image of Nagano will be the Austrian skier soaring headfirst off the downhill slope, turning growl cartwheels through two fences and crash-landing in a snowdrift. And getting up and walking away. And then, a few icy days later, this headstrong winner admires all the international and whose own girlfriend wanders off. "The reality is an altar," not only raced again but blasted down the super-G and giant-slam runs to double gold.

They were Catherine Lickley's Olympics, too. The Saskatchewan native with the powerful strides and highbeam smile grabbed gold and bronze to headline a Canadian speed-skating medal haul. They were Anne Perreault's and Eric Bédard's Games on the rowdy short track, and Pierre Lueders and Dase MacEachern's on the blustering laddered run, and Sandra Schauder and company's at curling's Olympic coming-out party. And of course they were Ross Rebagliati's Games and party all rolled into one, taking him for a jolly ride on the 25-minute-of-fame express from the snowboard lift to the police station to the Leno show.

These were also the Games when Canadians acknowledged, if they hadn't already, that many other countries now play hockey, too, and rather well. If only we could see any very, the cry went over the long dry decades since Canada last claimed Olympic hockey gold in 1952. And this year Canada's best—Gerrard, Lindsay, Roy et al.—took Nagano like rack stars, racked up points in the race-guy snowpadders. On opposed to say, these room-fussing Americans but still couldn't find the gold. Neither could the Canadian women, hugging the burden of history into hockey's first Olympics as a two-gender sport, dragging it to the lower, slightly underdog Americans.

Which is why athletes play the Games, as opposed to experts handicapping them—because sport is about surprise. Except in ice dancing, of course, where a bloc of judges—paragons of reason, if



Perreault celebrating her short-track triumph. Maier attacking the super-G course: a group of homegrown heroes and compelling athletes from other lands

nothing else—made up their minds before the skaters actually skated. These could have been Sha-Lynne Bourne and Victor Kravtch's Games, too, and unless ice dancing deans up its act it should become an Olympic sport.

All in all, though, the US Canadian athletes who went to Nagano faced adversity in the great expectations test. Canadians picked up more winter medals than ever before, a cache of 15 that topped the 13 tallied in Lillehammer four years ago and led American newspaper writers to direct a new Red Menace on their northern border. Canadians were not, dished out in their spiky red jackets and caps as they mounted podiums again and again—in ice sports, mostly, not sure.

And the big winners were not necessarily the big names. Perreault triumphed only after favored teammate Isabelle Charest slid down and took a Chinese rival with her. Bédard captured bronze when much-decorated Marc Gusman crashed and learned. (Later they teamed up with two mates to grab relay gold.) Mark Fournier was Canada's chairman of the board, not Rebagliati, but not on race day. That's sports, anytime, only blown up in Olympic proportion. Why did those Elio Sogliho have to arrive as his Nagano moment with a bent leg and miserable flat? Bad timing, bad luck. The disappointed simply have to live with it.

For viewers back home—waking at ungodly hours to catch the action live or watching the packaged version in prime time—the appeal was often in the competitors from other lands. There was Japanese ski jumper Masahiko Harada, who won redemption before his home crowd after his crashing failure in Lillehammer, and Norwegian cross-country racer Bjørn Dæhlie, who took four medals to run his record Olympic total to 12 but still hung around to congratulate a last-place finisher. And yet there was pride in the vaquitos Canadian flags, as well—even if they did "shock" Suzanne Tremblay, a Bloc Québécois MP who visited the Games and decried the Canadian support bordered on the banal.

Well, so be it then. Canadians are loyalist. And why not? For while the Nagano Olympics can hardly be called Canada's Games—Germany, Norway, Russia and Austria scooped more medals, after all—they were as exciting as a deer hunting into oblivion, as inspiring as him getting up for gold. □





Clockwise, Canada's Elvira Stokke, silver, and Russia's Ilya Kulik, gold, figure skating; Norway's Bjorn Daelhve, three golds and a silver, cross-country skiing; Canada's Ross Rebagliati, gold, snowboarding

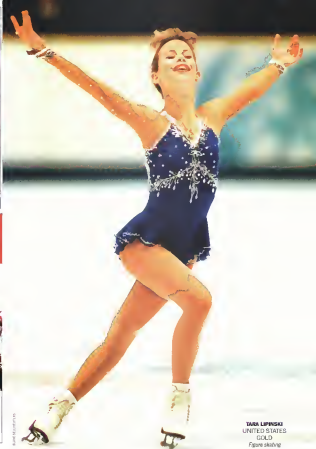


# Highlight Reel

For 16 days in February, Winter Olympians from Canada and around the world worked wonders on ice and snow, creating dramatic images of daring, disappointment and triumph



From left, Canada's Catherine LeMay Dore, gold and bronze, and Susan Auch, silver, speed skating; the Netherlands' Marianna Timmer, two golds, speed skating; Canada's Sandra Schmirer, rink, gold, curling



TARA LIPINSKI  
UNITED STATES  
GOLD  
Figure skating



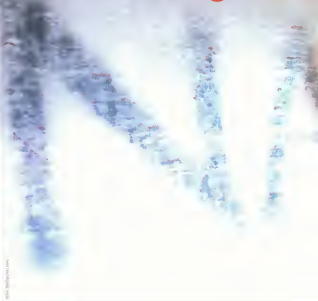
# Still longing for hockey gold

The Czech Republic's Robert Reichel putting the shootout winner past Canada's Patrick Roy



MASAHITO  
HARADA  
JAPAN  
GOLD, BRONZE  
Ski-jumping

# A blistering run



AIR CANADA



defy obstacles



A.

B. 

Daily nonstops to Osaka



# to Olympic glory



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PIERRE LUDERS and  
DAVE MACEachERN  
GOLD  
Bobsleigh



CATHARINA LARUS EINARSSON  
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Long-Track figure skating

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and now

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here and now

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# Hockey meltdown

BY BRUCE WALLACE

**T**he 1998 Olympic gold-medal hockey game had plenty in common with all those gold-medal games of the 1960s and '70s, except this time the Russians and the Czechs wore Nike. After all the hype and great expectations, a team of hustling but lead-traded Canadians was reduced to the supporting

act as what may qualify as the greatest hockey tournament ever staged. European teams swept the medals. Canada played purely self-unsuccessfully for bronze. Just like the old days when they sent the team to

Instead, the glory went to players like Ilya Bryzgalov, the Russian rocketeer with a sweet scoring touch, and Dominik Hasek, the Czech goaltender built like a slab of the old Berlin Wall—with Cold-War-era apprehensiveness. The ultimate Czech victory was the reality check for all those fans who somehow imagined Olympic hockey was going to be a North American demonstration sport, pitiful Canada against the United States. There were, as cautious Canadian players had worried the unannounced all along, many dream teams in Nagano.

But persistence does not take away the sting. "The loss is devastating, the worst feeling in the world," Wayne Gretzky said in an interview after dropping the semifinal, 3-1, to the Czech Republic in a dramatic, rickety up-the-ice shot Olympic bout called the shootout. The Canadians were so crushed that they failed to regroup for the



next day's bronze-medal game against Finland. The Finns won 3-2 in a game played in a hazy atmosphere at Nagano's Big Hat arena, where the normally hysterical crowd seemed to sense that gold, sympathetic clapping was more suitable for a consolation game. "Sure it would have been nice to go home with a medal," said Theo Fleury, leaving the Canadian dressing room for the last time, a day earlier than expected. "But we came here to win."

That is the conundrum now facing Canadian hockey in a sport where international rivalry exists among half-teams (if not merely elite teams, Canadian players and fans remain conditioned to expect only gold from those who wear the Maple Leaf. Canada's women's team tasted similar

pressure when it fell 3-1 to the Americans in the final of the first-ever Olympic women's hockey tournament. Even the players seemed to regard the silver medals around their necks as symbols of failure. "We have a silver medal, but the fact is we lost the game," said Cassie Campbell, part of a Canadian team that dissolved into inconsolable sobs after losing. "It doesn't feel like we won anything." Only the next day did Campbell recover slightly, getting a new perspective from two-time silver medalist speed skater Simon Ammann, who stopped her in the athlete's village to tell her: "You know, Cassie, a silver medal is a great thing."

If any yet to take worse time before Canada's best get accustomed

## Neither national team lived up to expectations

play for a place in the medals. But the excitement and drama of the men's tournament suggests that the Winter Olympics are the world's top players may now be embracing as a beautiful friendship. The games are Nagano's big test for the men's tournament. The excitement, the threat of dangerous weather, the shortage of the arena, body checking that the NHL offers. "I don't think you're going to find a guy who didn't like it," said a gracious Joe Nieuwendyk. "It's been one of the greatest hockey experiences of my career. And a gold medal might have rated even higher than a Stanley Cup."

Nieuwendyk, spoke with his hair still wet from the postgame shower, and the Olympic glow may very well fade once the annual spring chase for the Stanley Cup begins. But NHL executives seemed upbeat about their Olympic moment, too. The league will decide next year whether to free its best players from mid-season duty to play in the 2002 Salt Lake City Games, a likely scenario given how these Olympics will be more on a par with American prize than Japan's awkwardly-scheduled time difference allowed.

There were still a few forced smiles among NHL brass last week over the American team's cluster of a performance, however. The U.S. team never gold, never seemed to connect on hockey. "I can't look in a guy's eyes and tell if he's more focused than me," snarled Brett Hull when asked if the Canadians were better-prepared, showing more snap in his quotes than in his shot. The visible American composure about the better ice, the all-around, and how they think hockey goals had fingered them close to loss. Last goalies. "We got a new deal," said forward Doug Weight after losing to Canada, 4-1, in the round-robin part of the tournament and noting that Canada's second goal should have been disallowed for having a man in the crease.



Canadian women's hockey team wins their silver medal that was supposed to be gold

act," said captain Steve Lindes when asked how his team would seize Basel. But Steve Yermian was more circumspect. "Everybody's tired pretty much everything with Basel," he said with a shrug. "You just go in and shoot when he's in."

Over the past hours, it took 58 minutes and 57 seconds before Trevor Lindes finally roared a shot at the Czech goal where Basel wasn't, being the score at 1. Ten minutes of overtime resulted nothing, leaving on the shortest five players from each team in an Olympic version of a street hockey showdown. After Robert Reichel scored on the Czech's first shot, Hasekstoned this consecutive Canadian shooters (none of them Gretzky, proving a harder for years of himself anyone else). "It's obviously very exciting, but I don't care much for it before and I care for it less now," said Yermian of the shootout. The Czechs, meanwhile, will probably put one of Hasek's wives on a national stamp.

The Canadian women's loss was just as heart-breaking. In the most important women's hockey game to date, a team that had won all four world championships came up flat. Their free-wheeling third period was not enough to overcome a neither-on this night—American squad. And just as men's team general manager Bobby Clarke had taken heat for his selection of players, women's coach Sharron Miller endured moping for the handling of hers. Most attacks focused on the way she prepared her team for the Olympics, suggesting players were too high-strung and tight under her guidance.

Oppense was U.S. captain Camryn Grimes certainly thought the Canadians were tense. "They had all the pressure of building all a sense that has finally caught up to them in talent," said Grimes. American coach Ben Smith handles his team in a fatherly manner, says Grimes. He tells players before a game, Canada's Miller, on the other

## 'The worst feeling in the world'—Wayne Gretzky

Czech Ben Wilson tried to motivate his players by showing clips from the first movie *Amelie* before the quarter-final against the Czechs. His team went out with a whimper. The *Amelie* movie was a comedy about a young woman who, after being orphaned, lives a life of misadventure. "We got a new deal," said forward Doug Weight after losing to Canada, 4-1, in the round-robin part of the tournament and noting that Canada's second goal should have been disallowed for having a man in the crease.

The Canadians, by contrast, could at least take some consolation from ribbon for good behavior. They revealed to mixing with other athletes in the village, saying they despised that hockey and hockey could get into the Olympic spirit. "I think our team has handled everything with class," said forward Bob Zeiserer. "Every one of us represented our country very well."

The Canadians can also claim North American bragging rights after their coaching was over the Americans in a much-disputed rematch of the 1996 World Cup final. Hasek's fine play in sending the United States kept the Canadians and Americans from meeting again. "We're going to fire a lot of rubber and go to the

head, like to keep her team in 'the bubble,' isolated from distractions like family. He 'manages the bed and the team' at the last minute, she says. The last minute for the Canadians came before a dramatic third period when the Czech team—driven by a goal—went into chaos at their final moments in the face of Sharron Miller. The movie provided viewers from critics. "It worked," retorted Miller, whose team went on to play their best period of hockey. "Yeah," said assistant coach Denise Sauvageau wryly. "Maybe we should have played the video earlier."

Miller's players deflated her to the left, suggesting that male hockey writers in part don't like the women's game. But in the other half, the Canadians looked like much more. Team flow freely burst into the Olympic spirit of a reciprocal for players and their coaches. They talked of the importance of the Olympic journey, but it was still too soon to forget the dashed expectations.

"You'll wake up tomorrow and feel great, completely drained," Clarke told a group of the women, as they all practiced. "But in two or three days, you'll come back." Perhaps when the players and the action come out of their heads, they will take a little pride in the way the team has embraced Canada's game. □

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was the country's dominant sport in Nagano—the long track team was five medals and the short-trackers finished with four. It might have been even had it not been for the woes of Gagnon, of Châteaufort, Que., and Charest, of Montreal, who both crashed in previous nights' events. Their coach, Natalie Gosselin, and she thought both skaters were tense going into their individual races. "There is pressure in any Olympic sport, and then there is the pressure you put on yourself," Gosselin said. "It is worse for people who are expected to win, like Isabelle and Marc."

The roller-coaster between elation and despair began on the first night of short track. In the women's 500-m final, Charest made a move to take the lead halfway into the race and fell when she stepped on a rubber lane marker. She launched a Chinese rival, down, too, allowing Annie Perreault to grab the lead and eventually the gold. It was a miraculous result for the native of West Forest, Que., who missed most of last season with knee injuries. "I am so happy, like a deity," Perreault said. Charest was somewhat crushed when she, Perreault, Tania Vicent and Christine Boudrias captured the bronze medal in the women's 3,000-m relay.

Gagnon, meanwhile, was disappointed after being disqualified in the quarter finals of the 1,000 m—in which he holds the world record. But before, the team's rising star finished third and was the happiest bronze medalist around. "Just getting to the final was a bonus for me," said Bédard, of St-Théode, Que.

For many of the other Canadian athletes watching at the White Ring, short track and its



Perreault captures Charest after the 500 m in an impressive comeback from a lane slip

sport," Gosselin says, the skaters learn to cope with the event's unpredictable nature. "If you choose short track," she says, "you have to accept the way things go."

They did, of course. Charest cheered and whistled from the stands with her boyfriend, Jean-François Gosselin, a Sherbrooke firefighter, as Gagnon sped through the final turns to play gold. "I am so happy for them," she said. "They deserve it." And Gagnon, wearing his new medal around his neck, talked about how important the team has been to all of them. "We are very close," he said after the final race. "We really support one another, and our team spirit is very strong." Anyone watching at the White Ring last week knew this already. □



LeMay Don gets congratulations from her husband, Steve. "I don't want to change!"

exceeded some old dreams. In her first Games in 1994, she fell midway through the 500-m race in which her teammate Susan Auch won silver. LeMay Don was crushed until she found solace in Christianity. She credits that newfound faith with helping her handle the pressure in Nagano, particularly before the 500—the race she was expected to win. She did, in Olympic record-setting fashion. And while her brother-in-law gold medalist Marianne Timmer of the Netherlands and American Chris Witty may not have happened as shiny, the race was delightful. "After the 500, that was the first time I felt like I was in the medal stand for a year," she said. "With this, I am a bit awkward," she added, cupping her new medal. "Because at the beginning of the season, I didn't think I'd ever have a chance in the 1,000."

Now, LeMay Don will reap the rewards. There will be endorsements and appearances here to boost the income she already derives from winning World Cup races. That will keep the skater and her video bull-dogging husband, Bart, on the road a few extra days before they go home to Vancouver and back to work. She has two more World Cup competitions left on the schedule this season, and her eye on the future. "I plan to keep skating," LeMay Don said. "I'm aiming for 2002." Look out, Salt Lake City.

By J. N. Nagano

# In the fast lane

## A winning finish for Canada's speedy short-trackers

By JAMES DEACON

For members of Canada's 1998 Winter Olympic team, it was a moment to savor and celebrate. Easy to spot in their bright red outfits and poor-boy caps, clusters of athletes stood in the stands at the White Ring arena, cheering and whistling, waving Canadian flags and exchanging high fives. With good reason. Down on the ice, speed skaters Marc Gagnon, François Dorel, Derrick Campbell and Eric Bédard had just crossed the line in first place in the last event in which Canadians had a chance to win a medal—the men's 5,000-m short-track relay. Over their lap of honor, the skaters waved and shouted thanks to the dozens of transmitters who had come, on the first night of competition in Nagano, to see their race. There were skaters and hockey players and long-track speed skaters, all swelling in one last chance to hear their anthem in an Olympic arena. "Look around



Bédard won relay gold; a young star also won the 1,000-m bronze

here and you'll see about half the Canadian team," said Susan Auch, the silver medal-winning long-track speed skater. "For all of us, this was a great way to go out."

On a night of individual sorrow, the short-track team rebounded to provide the crowning moment for Canada in Nagano. Earlier in the evening, both of the team's top stars, Gagnon and Isabelle Charest, had failed to earn medals in individual events; he simply fell in the 500-m race, she lost out in the 1,000-m semifinals by two one-hundredths of a second. But just when it appeared the night was a complete loss, the men's relay team defied the odds, avoiding any on-ice calamities to skate off with the night's last race. "We were all laughing about it out there," said Campbell after receiving his medal. "We haven't won a relay in three years, so for us to put it all together and win the gold in the Olympics, well, that just feels so great."

The short-trackers' stunning victory gave Canada its 15th medal, a winter record for Canadian teams. That is fitting: speed skating

## THE GOLDEN GIRL OF THE ICE OVAL

Fresh off the ice at Nagano's M-Wave speed-skating oval and bearing her just-won bronze medal from the women's 1,000-m final, Catherine LeMay Don looked like she could go right back out and race again. Despite the urging of event officials to keep moving—the first step for any Olympic medal-winner is supposed to be staying calm—she stood before a throng of reporters and answered all the questions, content to just enjoy the moment. She didn't flinch when asked if Olympic stardom would inflate her image of herself. "I think the way I have been brought up, that won't happen," said the 26-year-old from Saskatoon. "My parents have always been level-headed and they don't want me to change. I don't want to change."

Her life, well, that's at least in the immediate future. Instead of taking some well-earned time off before resuming training, LeMay Don took a week of camera, microphones and sponsor schmoozing on a media tour with stops in Vancouver and Toronto. The marketing of the speed queen was inevitable: she won two Olympic medals—including gold in the 500 m—carried the flag into the closing ceremonies and wore a winning smile. "You could sell a lot of toothpaste with that smile," said one team member.

But endorsements were far from her thoughts in Nagano, where she

# Dirty Dancing

Outrage over a 'blatant' case of fixing the marks

BY JAMES DEACON

The judges sit at risers, their pens at the ready, their blank expressions as fixed as their stances. They watch and, according to inconspicuous criteria, assess the merit of each performance. They are human, they make mistakes and they are powerful—they can make or break careers in the most lucrative of Olympic sports. But what became clear at Nagano during the ice-dancing competition is that, more than anything, judges are unaccountable. Even though the International Skating Union had been warned prior to the Games that a group of dance judges was conspiring to rig the Olympic results, the sport's governing body was powerless to stop it. As a result, last year's third-ranked team, Canada's Victor Kravitz and Shae-Lyn Bourne, dropped to fourth in favor of France's Marina Anissina and Gennadi Paganov—just as outsiders had predicted before the competition began. "I think," said ISU president Ottavio Cinquante, "that something must be done."

The kids, too, like for Kravitz. Sitting in the officials' section at the gorgeous White Horse arena, watching the women's short program last week, he chafed his words carefully. "We did really well—we skated great and we are really happy with that," said the North Vancouver resident. "But the ball was out of our hands."

The skater had to be discreet. One team member told Deacon that Bourne and Kravitz had been warned that they would be suspended from the competition if they continued to question the judging openly. Kravitz would not confirm or deny the report—he and his partner have to skate before the same judges later this month at the world figure-skating championships in Mannheim. But he did say he wished that competitors were forced to follow the rules set out in the official ice-dancer handbook—which call for more technical, less showy routines. Are they punished if they don't? "Sure are, some aren't," he smiled. "It really depends who you are."

The Canadian skaters were not the only ones censored by the secretive, skating aristocracy. Anissina's was also feared that Jean Serit, the Canadian judge on the ice-dance panel, was asked to submit a letter to explain why she gave Bourne and Kravitz second-place marks for their lastly Russian free-skate program. Like the skaters, Serit would not comment on her situation, saying that it was against ISU rules to discuss judges' placements. The alleged bloc voters faced their own inquisition: the seven judges who gave the eventual gold medalists, Paganov



PHOTOGRAPH BY NICK ANDERSON/GETTY IMAGES



**Bourne and Kravitz** (above) and Paganov (left), the Canadians were told they would finish fourth before they left for Nagano, and a rising chorus of complaints may finally force needed reform in ice-dance judging.

Grushchuk and Yegorov Paganov first-place marks for their golden waits were also asked to submit letters of explanation. The Russian duo had made a blatant error and referee Wolfgang Ranz did not agree with their marks.

Bourne and Kravitz's camp has no doubt there was bloc voting. "It's a joke," said Kentia Albrecht, the powerful skating agent whose company, the International Management Group, represents the Canadian ice dancers. Albrecht said he and the skaters' agent, Nathalie Cosko, were tipped last September that the Russian, French and Italian judges had agreed to promote the French pair over the Canadians. The alleged bribery was particularly obvious at the discipline series held in Munich last December, where the same group of judges handed out identical placements to key teams, boosting the fortunes of French, Russian, Italian and Ukrainian duos while holding back the Canadians and Elizabeth Puzos and Jerald Swallow of the United States. Then, just before leaving for Nagano, Albrecht told Bourne and Kravitz that a senior ISU official had informed him that the pair would receive fifth-place marks for their first compulsory



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that they could not be higher than fourth even with a strong free skate. It is exactly what happened.

Complaints of judging irregularities are not confined to ice dance or even to figure skating. Canada's top armwrestler, for instance, landed a perfect jury in the first round of the freestyle finals at Jenna Knapen last week, but was immediately criticized down. "When I landed, I didn't think I could have done it any better than that, and I was a little disappointed with my score," Nicolas Fontaine explained. "Maybe it affected me—my coach was telling me not to think about it, but all the other athletes were saying that it was a perfect landing and I just scored on it." The Fontaine brothers, who compete in the same event, are the exception rather than the rule in this sport, which is judged according to technical criteria rather than style.

That formula would suit the International Olympic Committee, which wants ice dancing to straighten up or get out of the Games. The other three figure-skating disciplines—women's, men's and pairs—have many as technical criteria such as jumps, spins and footwork. Ice dance has so far refused to adhere to similar rules, and IOC officials are not amused. They say the controversy in Nagano calls into question the integrity of the sport and, by association, of the Winter Games. "It was no instant harm," said IOC vice-president Dick Pound of Montreal in Nagano last week, "that it has drawn everyone's attention." The IOC could be curbing a smaller disaster if it admits belatedly that dancing in a sport at the 2000 Games in Sydney, Australia—but Pound insists belatedly will not make it. "I don't think it's popular enough to get onto the program," he said.

For the record, ice-dance officials remain sympathetic about their sport, saying there is no evidence of voting irregularities. But Canada's Tracy Wilson, the former ice dancer turned CBS broadcaster, says the voting system from recent competitions does not fit. "Now that people are really talking about it, maybe things will improve," she says. "Until now, no one has stood up and said, 'This is wrong and we should do something about it.'"

Consensus says the next ISU congress will examine ways to improve judging criteria. He admits he and his colleagues are leaving the controversy alone since it was public. "We are not dead," he says. "We have, we read." He said he may initiate a pool system so that judges can be chosen at the last minute, thus preventing them from building alliances in advance of major competitions. But he does not expect instant results. "You cannot force people to do things," he says with a sigh. "The dancing is about personal opinion and you cannot say what people should think." Tell that to Isadora Duncan.

# A pixie-perfect moment

At a time it is to her—the kid was great. Tara Lipinski, all of 13, skips off the weightless pressure any sport has to offer, lands seven flawless triple jumps to go to the top of the women's Olympic figure-skating gold medal on a night when the Isobars, fellow American Michelle Kwan, skates beautifully. The underdog scooted out, finished her pious smile and nailed the hardest free skate anyone dared to perform in the women's final last week in Nagano. Her technique was so modest, and her enthusiasm so endearing, that

and Beaz, who credited Lipinski's programs during a wedding season in Toronto last summer. "It may be her parents' dream, too, but believe me, Tara eats, sleeps and breathes it. I have a lot of respect for her."

Kwan deserves perfect 6.0s for gracefulness and precocious perspective. The 17-year-old from Toronto, Calif., who hopes to study law at Harvard after graduating from high school, was the most splashy skater. Performing a program designed by another Canadian, Lori Nichol of Keswick, Ont., she was a little loose on the landing at one jump, but finished strongly and was awarded marks that could easily have been good enough to win. When Lipinski then scored highest, Kwan masked her profound disappointment with a brave smile during the medal ceremony and in front of the media. "I knew coming in that this was not going to be a piece of cake," she said. "But I skated off the ice happy with how I did. It may not be the color of medal I wanted, but I'll take it." Lu Chen, the bronze medalist from Changchun, China, was just happy to be in the field. "Last year, I did not skate well," she said.

through an interpreter. "So I was not looking for a medal—I was just trying to show the others I could still skate."

How different from Tanja Harding, who won the women's title in 1994. There were no personal attacks from either of the current American stars. There was a clash of triple jumps, not belly darts to the knee, and in the end Lipinski prevailed mainly because she had the more difficult combination jump—a triple loop-triple toe-loop as opposed to Kwan's triple lutz-double toe-loop. Even without violence, their clash delivered the biggest American audience of the Games and, as a result, began Lipinski's career to appear soon on cereal boxes and TV specials—agents estimate she can earn \$15 million over the next few years. Having achieved her career goals at the tender age of 15, does she have new mountains to climb? "I haven't had time to think about that," she says. "I just want to enjoy this, right now."

Lipinski has a lot of forever left—she is the youngest Olympic women's figure-skating champion since it was public. "We are not dead," he says. "We have, we read." He said he may initiate a pool system so that judges can be chosen at the last minute, thus preventing them from building alliances in advance of major competitions. But he does not expect instant results. "You cannot force people to do things," he says with a sigh. "The dancing is about personal opinion and you cannot say what people should think." Tell that to Isadora Duncan.

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# A \$6-billion shock

## Ontario Hydro grapples with a record loss

BY HUMPHREY NOBLE

I was a night-to-bedhold men and women who have dumped all over the province's public electrical utility from the dawn of political rancor in the social-credit era in a effort to persuade worried voters and nervous consumers that Ontario Hydro's decision to write \$6-billion off its books is not really all that bad.

From Premier Mike Harris on down, the avowed enemies of bloated bureaucracy spent last week making that the largest corporate write-down in Canadian history should be viewed merely as an accounting adjustment, that it will not mean anything for the utility, its customers or the government's dramatic restructuring plans for Hydro. Never mind that Hydro's write-down resulted in a \$6.3-billion loss for 1997 that has rendered the Crown corporation technically bankrupt. Harris insisted that all was well—or as well as can be expected, given that the money is what must be reinvested in Hydro's plants and equipment after years of neglect and mismanagement, particularly in the nuclear division, plus the cost of splitting Hydro apart into several operating companies. "They are no stronger or no weaker than they were yesterday," the premier said the day Hydro unveiled the bad news.

Harris repeated Hydro's promise that power rates will remain frozen until the year 2000. Asked for his assessment of the historic event, Energy Minister Jim Wilson rebuffed his boss, stating emphatically that the accounting changes would not affect Hydro's \$3-billion debt, nor its credit rating. The ministry of finance, meanwhile, hopes that after its breaking Hydro will be of fiscal and profitable enough to pay for its own restructuring. Says Karen Sutherland-Brown, a senior economist with the Ontario ministry of finance: "As they move forward, I believe, they will have the cash flow to cover it."

Then is a dirge, a dirge, indeed. But so far, few people outside the pink granite walls of Queen's Park are buying it. Indeed, on the face of it the idea that Ontario Hydro's financial crisis might somehow take care of itself without too much trouble does not make a lot of economic sense. On the contrary, seeing those billion-dollar losses in black and white only heightened concerns outside the loyal ranks of government that the red ink at Hydro will soon start showing up on everybody else's balance sheet. "They try to make it sound so painless, as if it's only accounting and they could do it all again next week, the money's going to go up," said Bob Kaufhold, manager of public affairs for the Ontario Municipal Electric Association, a group that represents the 295 municipal utilities that distribute Hydro's product to 2.8 million households across the province. "The when-over-it comes

from, absolutely, absolutely, the relief doesn't go into a black hole. This money has to be paid eventually."

It is not only consumers who are worried. Because the province has historically guaranteed all of Hydro's \$50 billion debt, the utility's financial weakness could soon undermine Ontario's own ability to borrow. The day after Hydro published its numbers, Canadian Bond Rating Service (CBRS) of Toronto issued a stark alert informing investors that it was revising its outlook for the province's long-term debentures from stable to negative. That's not yet a downgrade of Ontario's credit double-A rating, but it means that the agency is flagging its concern over what lies ahead should the province stick to its resolution to phase out financial guarantees for Ontario Hydro. In light of the fact that Hydro owes

### GREATER CANADIAN WRITE-DOWNS

Hydro's losses take the gold and the silver

1. Ontario Hydro (1997)	\$6.3 billion
2. Ontario Hydro (1993)	\$3.5 billion
3. BCE Inc. (1996)	\$2.9 billion
4. Delco Inc. (1990)	\$713 million
5. BCE Inc. (1993)	\$400 million
6. Placer Dome Ltd. (1992)	\$397 million
7. Barrick Gold Corp. (1997)	\$385 million

bondholders \$4.5 billion more than it owns in assets, with no readily apparent means to restore the balance, explains analyst Erik Pitsoy wondered. "How do we explain the loss given whether or not that increases the risk? Will the taxpayers have to make good on the guarantee that the government has given?" he asked. "These are good questions, to which no one has any answer—because nothing like this has ever happened before."

One thing that everybody seems certain about, however, is that last week's numbers are more than some accountants' figures on a page. When Hydro dropped its last numbers, in August, 1995—revealing that its nuclear generators were in such a sorry state that seven of them would have to be shut down—the company estimated that the tab would total between \$5 billion and \$8 billion. It came down much in the middle. The \$6.3-billion charge taken last week represents the cumulative loss of value in a number of Hydro's worst power plants—as well as future costs of upgrading its



better-performing operations, both nuclear and non-nuclear. In pension for what is still widely expected to be their eventual sale.

There is plenty of expensive work ahead. Hydro has committed \$147 million to pay the cost of retiring its nuclear plants in 2000, \$600 million to upgrade its transmission and distribution systems, plus pay for environmental cleanups, and \$1 billion to cover the cost of decommissioning seven nuclear reactors. The largest portion, however, is the almost \$4.6 billion that is going to be required for Hydro's "nuclear asset optimization plan," the utility's euphemism for all the re-engineering work that needs to be done to bring the 32 nuclear reactors that Hydro hopes to keep operating back up to industry standards. "It's the sort of that change in re-engineering assets that Hydro has to rehabilitate," said CBRS's Phil Collier. "They are going to have to come up with the money to pay for that."

Hydro officials talk as if that will be no problem. They claim they will have more than enough money by pooling their retained earnings with roughly \$2 billion in yearly cash flow that Hydro hopes to generate from continuing operations. But there's a catch. The problem, according to utility analysts and Hydro's customers, is that making Hydro's savings and deriving its income is the necessary means will make it difficult, if not impossible, for the utility to deal with its plan to reduce its \$31-billion debt to \$27 billion by 1999. The province wants the debt to drop before it restructures the utility into generating, transmission and distribution arms, and unites other suppliers to compete for Ontario customers. If Hydro can't borrow more money, or still wants to make those debt payments, it is left with only two options: increase electricity prices, or sell off some part of itself, in the form of shares, assets or joint-venture partnerships.

Provincial and Hydro officials have sworn loudly and long that prices will not go up. Hydro chairman and acting CEO William Farlinger, who is holding the fort until newly appointed president Ron Osler (who, for the remainder of this week, continues in his post as president of Bell Canada) joins Hydro in March, even characterized the write-down as something that "reinforces Ontario Hydro's commitment to recovering the substantial investment made by ratepayers in our nuclear facilities."

But the worried shareholders have their doubts. They're even convinced that users will end up paying twice for Hydro's mismanagement, because a portion of the \$6.6 billion is bound to be added to the estimated \$15 billion to \$20 billion in existing debt that the government plans to live off from Hydro before breaking the utility up. That obligation has become known as the "stranded debt," and where it will come to rest is anybody's guess—but most analysts are betting it will eventually fall on the shoulders of consumers. Even at its current level, it increases the stranded debt cost 200 per cent to average household electricity bills. Predicts Kaufhold: "One way or another we will end up paying for it."

The only other way to raise this kind of money, as far as most observers can see, is for Hydro to get down to the business of selling equity or assets to outside investors—a political hot potato that Queen's Park, by all accounts, views as a far worse prospect than permitting the public to pay its share of it.

Hydro and government officials insist they have ruled out a public share sale for the foreseeable future. But they may not entirely mean it. They remain willing to talk about the potential sale of private equity stakes to foreign partners. British Energy Ltd. of Edinburgh, the company that engineered the successful turnaround of the United Kingdom's troubled nuclear reactors, approached Hydro with a partnership proposal early this year. The day before announcing the accounting charge, Hydro executives confirmed that they had been in discussions with other foreign groups as well. British Energy isn't saying what, if any, steps it has taken toward a buyout or its talks. "It is too early for me to be drawn on that either way," said British Energy spokesman Doug McRobert. "We are still in the middle of our ongoing exercise. We have made no secret of the fact that we are interested." If anything else, the week's events have given Hydro managers new reason to look closely at all others that come with the promise of fresh cash. □

# Pup and politics

## The B.C. government keeps on bailing at Skeena

BY JENNIFER HUNTER

The phone in B.C. Supreme Court Judge Alan Thackray's downtown office rang about 10:30 p.m. on the second-to-last day of 1997. On the line was Glen Bird, a lawyer representing the B.C. government in the ongoing financial restructuring of a company called Skeena Cellulose Inc., which owns sawmills in the central B.C. Interior and a pulp mill at Prince Rupert on the northern B.C. coast. The company is struggling to claw its way out of bankruptcy. The province had earlier stepped in with cash to try to effect a rescue. It was Thackray's job, under federal statutes, to oversee the bailout and make sure Skeena Cellulose's directors and creditors, small and large, were treated fairly. But as he began to listen to what Bird had to say, Thackray felt a mounting sense of misgivings. The government, Bird told him, claimed to understand Bird's own creditors. He wanted to know what Thackray thought of the proposal. "Idiot," the judge wrote on notes after the conversation ended, "that the government was trying to resolve us by a political means."

If that was the case, Bird's inquiry may have constituted a serious intrusion into the independence of the judiciary. But for the citizens of British Columbia, the story that erupted when the call became public last week was only the latest surprising turn in a saga that has no far seen the government pour almost \$300 million into the failing company—the largest corporate bailout in B.C. history. At risk, in addition to the taxpayers' cash and the company's future, is a good chunk of the economy as a whole in British Columbia from the coast to the inland communities of Terrace and Smithers, 215 km to the east. Skeena Cellulose directly employs 733 people in Prince Rupert, a city of 16,000. But as many as 12 times that number of jobs in the region depend on what is part of the company. Even so, critics say the government's efforts to save Skeena amount to little more than life support for a doomed patient. "It is simply incredible to prop up that dead mill at Prince Rupert," says Les Reed, latest policy consultant and professor emeritus at the University of British Columbia. "His house does just to make a cabinet minister's seat safe."

Others have come to the same conclusion. Liberal Opposition leader Gordon Campbell called for the resignation of deputy premier Dan Miller, who represents Prince Rupert in the B.C. legislature and is widely regarded as the second-most powerful politician in the

province's NDP government, after his close friend Premier Glen Clark. Miller has been deeply involved in the negotiations to rescue Skeena and it was he who encouraged Bird to make the call to Thackray. But his resignation is unlikely this week. Clark confirmed Miller's role in cabinet by naming him minister of energy and resources responsible for northern development in a shuffle of his front bench. Miller himself simply shrugged off

March, saying, hoping to make itself more attractive for a proposed merger with Montreal-based Avenir Inc., finally abandoned its heavily mortgaged B.C. investment, leaving an share in Skeena in the hands of two banks, the Royal Bank and the Toronto Dominion. Skeena's managers sought protection from the courts under the federal Companies' Creditors Arrangement Act—the first step towards bankruptcy. The two banks, meanwhile, began negotiating with the company's creditors and the Pulp, Paper and Woodworkers of Canada, which represents the majority of the company's employees, for a formula that would keep the troubled mill operating.

When unseasoned workers landed at a commission dominated by the banks, Clark's government stepped in. First, the govern-



Miller: the opposition calls for his resignation after a government lawyer contacts a judge

ment announced it would provide \$140 million worth of loans and cash, in exchange for a 45-per-cent stake in the company. Then last November, Victoria bought out the Royal Bank's share in Skeena for a further \$31.5 million.

And in mid-February, the NDP government offered another money—\$45 million—in the form of low-interest loans and grants to the creditors. Their support for restructuring Skeena's debt.

But then Skeena ran into trouble again—ironically, in part because of the terms of the act under which it had sought the court's protection. Under the restructuring agreed to by creditors, contractors who supply Skeena with logs were to be paid another for wood delivered. But when the company submitted an \$116-million bill of credit, the Companies' Creditors Arrangement Act prevented it from negotiating the advance of more funds. Contractors responded by cutting off deliveries until they received the promised payment. Finally, on Feb. 18, with the latest

infusion of provincial funds, Skeena emerged from the supervision of the creditors act and promised that the contractors would get their money by week's end. Said Justin Riggby, a financial consultant for several logging contractors in Terrace, "It's great news."

The latest provincial understanding has a new twist. Skeena's vital signs above—only barely that critics like Reed are wondering when the provincial tap will be turned off. "This bailout could go up to \$500 million and you'd still be left wondering whether the company could survive," he said. Asked if the government does indeed have plans to pour still more funds into the company, an employment and investment ministry spokesman Don Zadravec said only, "I wouldn't want to speculate."

Skeena Cellulose mill at Prince Rupert, thousands of jobs in a politically sensitive riding

But according to many of those who rely on the Prince Rupert mill for their livelihood, the government has no choice but to keep the money tap on. Should Skeena fail, says Ken By, "there was the prospect of 30,000 people losing work from Smithers to Prince Rupert. The social ramifications are huge." Without the pulp mill, in fact, there is little else going on economically in Prince Rupert. Thousands of men would be unemployed in some, and the city is a redoubt with a port. But another industry is poised to make up for the loss of the highly paying, unseasoned jobs that Skeena Cellulose has provided. Meanwhile, fishing, the region's other economic mainstay, is under pressure due to poor salmon runs and competition from neighboring Alaska. (Prince Rupert was the site of a three-day blockade of an Alaskan ferry during last summer's fish war, sparking an international clash with the United States.) Says Shona Widney, who chairs the Prince Rupert Port Corp., "Most people are supportive of what the government has done, even though some say we have had to hold their noses."

But government intervention has been tried in the past—and has failed to put Skeena Cellulose on a sustainable footing. In 1973, a previous NDP government led by premier David Barrett took over Skeena's predecessor—Celco Canada Ltd.—and assumed the company's \$70-million debt. The Social Credit government that took power in 1975 folded the Prince Rupert mill into a newly created Crown corporation called British Columbia Resources Investment Corp. BCRIIC went public but soon floundered, and in 1986 its forest assets were

sold to Rapp for just \$69 million. The creation remains, even with all the money being thrown at it, will Skeena Cellulose ever prosper? Some think it can. "The mill and the people up here have gotten a bad rap," argues Rudy Skerrow, former Skeena debt negotiating officer. "The mill has made a lot of money in the past and it will do so again. We're not the black-hole people say it is."

But the outlook is far from encouraging. Pulp prices have sunk to \$700 per tonne, far less than the \$850-per-tonne price that Skeena needs to operate profitably. There is intense competition from Third World countries such as Chile. And critics say there are already too many B.C. pulp mills

choosing to little wood. There "Ten per cent of the harvest of logs in the coast is consumed by Skeena," says Reed. "When you put that amount of there is a mill that shouldn't be operating anyway, you simply threaten the existence of other mills." A better job, Reed argues, would be to see the province to sell Skeena's potentially profitable sawmill operations, and to let the pulp mill close.

But so far, the B.C. government appears to have no taste for walking away from its investment in a politically sensitive riding. □

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## Business NOTES

### RECORD PROFITS

As Canada was among Canadian com-  
panies that posted record profits in  
1997. The Montreal-based center col-  
lected \$427 million on revenues of \$53.6  
billion, last year—nearly three times  
what it earned in 1995. Meanwhile, Stat-  
istics Canada reported that last year  
Canadian corporations collectively reaped  
reinvesting profits of \$110 billion. The  
upbeat results were due by banks, which  
posted a 32-per-cent profit increase to  
\$15.7 billion.

### WILL IT BE AIR MAGNA?

Auto-parts giant Magna International  
Inc., of Markham, Ont., started its own  
shareholders when it announced it was  
considering launching a new luxury  
transformation car service aimed at  
executives. Analysts blame the com-  
pany's diversification plans—which also  
include a three-part, in-house Frank  
Stronach's revive Austria—for driving  
Magna stock down to a six-month low  
at \$44 from a 1997 high of \$101.50.

### EAFON'S CLEARS ITS DEBT

Nearly a year after 120-year-old Toron-  
to-based retailer T. Eaton Co. Ltd.  
sought court protection from bankrup-  
tcy, it added its profitable credit card  
division to Minneapolis-based In-  
vestco's giant Norwest Corp. for an es-  
timated \$120 million to \$130 million.  
Industry watchers said the transaction  
would allow Eaton's to retire the last of  
the \$419 million in debt it claimed when  
it emerged from court protection last  
October.

### TERRA NOVA GETS A GO

Calgary's Terra Nova Canada reached  
agreement with its partners in the Ter-  
ra Nova offshore, 380 km southeast of  
St. John's, Nfld., to proceed with the  
\$8-billion project. Unlike the earlier He-  
berts development, which proceeded  
as first oil last year from a cement plat-  
form, the new one, the Terra Nova  
platform will employ a floating  
production platform and shore some of  
Heberts's offshore storage facilities.

### INVESTING IN QUEBEC

Montreal-based Alcan Aluminium Ltd.  
announced that it will spend \$5.2 bil-  
lion to build a new smelter in Quebec's  
economically depressed Saguenay re-  
gion. The new smelter, to be built at  
Alma, replacing an older existing plant,  
is expected to be in operation by late  
2000 and create 225 jobs.

## Salt for the Bre-X sounds

There was talk of infatigue and evil spirits  
But in a report released last week, an in-  
vestigator hired by Bre-X Minerals Ltd.  
and CEO David Walsh knew nothing about  
the northbound-gold scam that toppled the  
Calgary-based company last spring. Toronto-  
based Forensic Investigative Associates Inc.  
did not, however, that senior Bre-X executives  
were told about improper handling of samples  
at the company's Datang gold operation in lo-  
doose six weeks before the rest of the world  
learned it was a hoax.

Don't expect to include first finding when re-  
leased a summary of the 124-page FIA report  
last October. An Alberta court forced the com-  
pany to release the full text. The report found  
former Bre-X geologist Michael de Guzman  
was the mastermind behind a massive selling  
scheme to add gold dust to Datang rock sam-  
ples. As one point, it says, de Guzman told his  
mother he was haunted by evil spirits, and later



De Guzman with coins he found 'spirits'

tried to kill himself by drinking cough medicine  
in a bathtub, hoping to fall asleep and drown. He  
died after jumping from a helicopter. Although  
a former wife testified he was still alive, fingerprints  
from the body match de Guzman's. The report  
says the role of John Felderhof, the company's  
former vice-chairman who refused to co-operate  
with the probe, remains unknown. The  
RCMP and Ontario Securities Commission are  
also investigating the Datang debacle.

## Doubts about the CPP

Retirement benefits for millions of Canadians  
may be at risk from plans to create a fed-  
erally appointed board to invest billions of dollars  
being collected under a revamped Canada Pen-  
sion Plan, members of the Senate backing con-  
sultative warned. Legislation passed last year  
said last year would allow investment  
decisions for the money on the heads of a board  
appointed solely by the minister of finance. "I

think that's dangerous," says Senator David  
Tuckwell said. That risk is that a CPP board  
beholden to the government will be  
tempted to use the giant fund for political pur-  
poses, rather than as the best interests of the  
fund's beneficiaries. Investment experts who  
served before the committee at public hear-  
ings last week in Toronto, Calgary and Van-  
couver echoed the concerns. David Fox, a  
pension fund consultant, "find boards begot  
bad boards, and bad boards begot bad staffs."

## FINANCIAL OUTLOOK

The Canadian economy  
bounced back strongly in  
December. Retail sales rose  
2.7 per cent—and wholesale  
sales 2.9 per cent—over No-  
vember figures. Manufac-  
turing shipments rose two per  
cent over the previous  
month, powered by a demand  
a 14-per-cent jump in auto  
exports. Even the locketlike  
loose surge upward, closing  
the week at 70.44  
cents (U.S.).

But the boost may be short-  
lived. Analysts issued a series  
of warnings in part to Asia's  
ongoing woes. While the  
number of foreign travellers  
visiting Canada in 1997  
rattled up 1.6 per cent over  
1996, to 17.6 million, U.S.  
and British visitors accounted  
for most of the increase, while  
tourism from Asia declined.  
And despite a \$1.7-billion  
uplift in December, Canada's  
trade surplus ended the year  
down 62 per cent from  
December, 1996.

### BUSINESS TRAVEL TAKES OFF

Percentage of the Canadian  
workforce that took at least one trip  
1994 28%  
1997 40%  
SOURCE: AMERICAN EXPRESS

"Our leading barometer of  
economic activity has fallen  
for four consecutive  
months. While much of  
Canada's decline was  
related to the slow economy,  
the downward trend points to  
a softening of economic  
conditions for 1998."

—NORWEL BURNS

# Personal Finance

## A new kind of cheque-out aisle

Shopping for a mortgage? Try aisle G, between housewares and frozen foods. Canadians may be doing just that more often in the months ahead, as big retailers team up with big banks to offer a host of in-store financial services. The big benefit for consumers is convenience, says Susan Cohen, an industry analyst with Montreal-based Desrosier Capital Corp. With cooperation in the financial sector at a fever pitch, she adds, "banks are looking at all kinds of alternative channels for delivering services."

The Toronto Dominion Bank jumped on the shopping cart last week, when it announced plans to open full-service branches in up to nine new Wal-Mart stores by the end of the year. (The TD Bank already has bank machines in every Wal-Mart store.) Earlier in February, the Canadian Imperial Bank of Commerce teamed up with Loblaw Cos. Ltd. to launch President's Choice Financial. "What we did for the chocolate chip cookie, we're going to repeat for banking—offer better quality at a better price," says Robert Alameda, a Loblaw vice-president. The Royal Bank and Bank of Montreal are also lining up with other banking partners. Loblaw has tried the idea before:



Banking at Loblaw's convenience and competition

## Raiding the RRSPs

More Canadians are taking money from their registered retirement savings plans before they retire, according to a study by Statistics Canada. The increase may be partly explained by rising levels of personal debt, analysts said. The number of cash-strapped investors making early withdrawals rose 41 per cent between 1991 and 1996, to 851,000 from 604,000. That is still far fewer than the number of Canadians who added to their RRSPs, even though the increase in the number of contributors has not been as rapid. In 1996, about six million Canadians contributed to an RRSP, up 27 per cent from 4.7 million in 1991. The average withdrawal declined from a high of \$8,423 in 1994 to \$6,017 in 1996. About 35 per cent of Canadians contribute to an RRSP in a typical year. That rate rises to 58 per cent in British Co-

lumbia, Alberta and Saskatchewan, and sinks to 20 per cent in Newfoundland.

Meanwhile, tremors rippling through world markets in recent months appear to be cooling investors' affection for mutual funds, which account for about a third of RRSP contributions. Net sales of mutual funds in June are dropping a whopping 33 per cent from the same period last year, making it a \$3.4 billion. Analysts said investors remain wary about the impact of Asia's financial woes on stock-based mutual funds and are waiting to see whether interest rates continue to climb. For money, the 3.75 per cent rate on some guaranteed investment certificates already makes them an attractive parking place for cash while they decide on longer-term RRSP investments, observers said. Fund sales were expected to be higher in February as Canadians rushed to meet the deadline for RRSP contributions.

**FORECAST:** ON-LINE INVESTING The popularity of investing through the Internet will explode over the next few years, with the value of assets managed through the worldwide computer network rising to \$372 billion from \$172 billion today, according to Cambridge, Mass.-based Forrester Research Inc. The independent firm predicts the number of on-line investing accounts will grow to 14.4 million from three million over the same period. Some 50 companies worldwide now offer on-line investing services.

# Money Talks

## Family fortunes

Canadian baby boomers stand to inherit hundreds of billions of dollars over the next 20 years, according to some estimates. Stephen Gadsen, a Toronto-based financial planner, and Philip Gubee, a chartered accountant from Aurora, Ont., offer advice on what to do with that money in *The New Heirs' Guide to Managing Your Inheritance* (McGraw-Hill Ryerson Ltd., \$23.95). Eight million Canadians will become heirs averaging \$80,000, the book says. Along with tips on how to preserve that money and increase its value, the authors discuss the legal issues and family conflicts that can accompany inherited money.



## Tips for travellers

Airports in Detroit, New York City, JFK and Boston are the worst in the United States, a survey of 90,000 travellers by Los Angeles-based Plog Research Inc. found. The best, judged on eight qualities including speed of baggage-handling, cleanliness and signage: Tampa, Fla., followed by airports in Pittsburgh and Charlotte, N.C. Meanwhile, Rungtainer International, a Rochester, Wis.-based management consulting firm, calculated the per day cost of meals and lodging for the business traveler in several Canadian cities:

Montreal	\$261
Calgary	\$192
Winnipeg	\$164
Toronto	\$258
Manitoba	\$186
Halifax	\$215

## RRSP deadline delayed

Canadians affected by January's ice storms have an extra month to make their RRSP contributions. Taxpayers whose postal codes begin with the letters B, E, G, H, J or K have until March 31 to contribute. Revenue Canada announced. The deadline otherwise is March 2. Those affected by the extension live in Nova Scotia, New Brunswick, Quebec and eastern Ontario. The extension also applies to soldiers and hydro workers who took part in storm relief work.

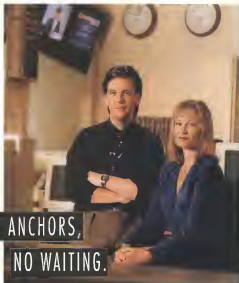


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The Nation's Business



# Peter C. Newman

## MAI: a time bomb with a very short fuse

**T**he inability of negotiators in Paris to finalize the proposed Multilateral Agreement on Investment gives Canada a welcome chance to stand back and consider the treaty's awesome consequences. Ottawa has been virtually silent on the issue, presumably following the same advice as was given in a secret 1980 memo, leaked in March as when the Canada-U.S. Free Trade Agreement was being negotiated in 1988. At the time, James Macgillivray's advisors told their master: "It is likely that the higher the profile the issue attains, the lower the degree of public support will be. Foreign neglect from a majority of Canadians may be the realistic outcome of a well-coordinated communications program."

That has certainly been Trade Minister Sergio Marchi's approach, and it has worked up to now. Considering that 29 countries, including Canada, have been negotiating the new trade accord since May, 1995, the proceedings have been kept amazingly secret. There has yet to be a full-scale parliamentary debate on the issue. It is as if the future of this country had secretly been rejected to senior civil servants, apparently with a mandate to sign the treaty anyway. They have done virtually all the negotiations to date, and so one with any degree of public acceptability has had much of a look in. This is not only wrong; it is stupid.

Nobody understands the likely impact of the MAI. Reading the draft treaty, I kept thinking it must be either a joke, or Tom d'Aquino's ultimate dream come true. To be fair, d'Aquino and the Business Council on National Issues that he heads, have been surprisingly quiet on the issue. When I talked to him about MAI, he would only say "the fundamentals of the Multilateral Agreement on Investment have been around for years. All that staff should reciprocal access to each other's economies, ease of it is really new."

And yet MAI has been pointed by the left as this great Satan. To say this is going to be the final screw-down, and that we're going to lose our sovereignty to madness, absolute madness. It's only through economic emancipation, only through being economically stronger, that we have the best chance of protecting our independence and our sovereignty.

His argument is valid, in terms of the notion that only the strong can survive in a global economy. But the question remains whether any self-respecting country can sign such an agreement. Unless it doesn't agree what it says, in a statement of philosophy instead of substance, its government will rob national governments of the ability to impose sovereignty re-

side their own territory. Once that is gone, what is the point of pretending you're still a country?

If we sign the MAI as it is now written, the threat to Canada could far outweigh the potential harm of Quebec separation. The Supreme Court of Canada ought to be examining the legality of such a treaty, instead of the largely symbolic case of Quebec's possible unilateral declaration of independence.

The heart of the MAI is that there ought to be no difference between domestic and foreign investors in any of the 25 countries that make up the Organization for Economic Co-operation and Development. That could mean an end to protection for any cultural sector or parts of the economy currently covered by domestic ownership rules. Everything would be wide open in such a Darwinian world, up for grabs to the highest bidder. In all likelihood that would be some U.S. transnational, who would treat our most treasured institutions with all the subtlety of a Genghis Khan. Carla Hills, the U.S. trade representative, recently gave cause for concern when she suggested an American trade intention strategy: "We want corporations to be able to make investments overseas without being required to take local partners, to export a given percentage of their output, to use local parts, or to meet a dozen other domestic restrictions."

The MAI, if I read it correctly, goes even further than granting national treatment to foreign corporations. In effect, it endows privately owned corporations with the power—but not accountability—of nation-states. It is an overstatement that 95% of Forbes's 500 leading global corporations are domiciled in

OECD countries. (Only five Canadian companies—BCE Inc., CIBC, George Weston Ltd., Royal Bank of Canada and Seagram Co. Ltd.—make the grade.) The MAI would remove many barriers that now apply to these corporate giants, and the ability of the government to freely take action regarding environmental standards, labor laws and patent exclusions that adversely affect foreign investors would be compromised. This kind of market would not merely apply to big companies doing large transactions in high finance. Its effects run close to the ground, where we live and work. If Wal-Mart decided to build near a village square, and the locals was a referendum halting the superstore's construction, Wal-Mart could then sue under the MAI, and win.

As more and more Canadians realize the Multilateral Agreement on Investment's full implications, they will demand a national debate about its pros and cons. The Multilateral Agreement on Investment may become law, but it is my bet that its unforeseen consequences will be one of the defining issues in the general election of 2000.

# DARK DAYS AT PHILIP

SPECIAL REPORT



## Setbacks rock a huge waste-management firm

BY JOHN NICOL AND STEPHANIE NOLEN

**A**ll through the day and long into the night, fleets of trucks thunder through the streets of Hamilton and dump its industrial waste. The trucks had long after dark of waste to the sprawling industrial yards of Philip Services Corp., a local success story hidden among the chugging steel mills that line the city's harbor. This little Hamilton firm, born of a two-truck hauling company, grew to become a waste leader in the field of industrial services, traded on the New York and Toronto stock exchanges. President Allen Frossio said proudly last year that Philip was one of the fastest growing companies in the country. It is now the largest resource recovery and industrial services firm in North America.

There has been growth—but, lately, in the field of bad news (page 54). On Jan. 27, the company announced an after-tax loss of \$269 of close to \$260 million. That figure, the firm acknowledged, included \$165 million worth of residential copper that Philip could not account for. That much copper—\$2,000 a ton—would fill an estimated 2,500 dump trucks. It was the first crack in the shiny surface of a company everyone wanted to believe in—and there was more. Since early February, six different disavowal lawsuits

have been filed against Philip, on behalf of thousands of disgruntled shareholders who say they were seriously misled about the company's inventory and its financial health. And as speculation has mounted about the company's future, Philip stock has tumbled—to \$33.50 at week's end from a September high of \$37.00. Sources have also told Mookherjee's that the Ontario Provincial Police, Revenue Canada, the Toronto Stock Exchange, the U.S. Securities Exchange Commission and the RCMP are all investigating the company. Soberly, Canada's waste-management kings seem to be reeling in shock.

Some residents of Hamilton, watching the company's recent financial troubles, say it was only a matter of time—and that Philip was never what it seemed. It remains, to be sure, a corporate powerhouse: a \$4.3-billion firm with 12,500 employees and 300 operations across Canada, in the United States and in Europe. But its history also includes some troubling blemishes. Almost two years after Philip announced with great fanfare that it was starting work on a cutting-edge plant in Hamilton to recycle waste from electric arc furnace sludge, the facility remains unbuilt. A similar plan to recycle old paint in British Columbia languished along until successfully for five years before being shut down in 1996. The critics note that Philip has promoted its environmental image—but its sewage-treatment

plant in Hamilton spews out effluent containing far more than the previously prescribed limit for lead and zinc.

Philip has faced down the opposition, reluctantly lending out scrutiny and trying to silence anyone who dared ask questions with a barrage of threats, injunctions and subpoenas. The Frossios released numerous requests for an interview from Mookherjee's Lynda Kuhn, Philip's vice-president for corporate communications, and the firm was "busy" and could not respond. She also claimed that Mookherjee was relying on information from a disgruntled ex-employee who was being used by the company.

**A**t the edge of Hamilton harbor, where smokestacks stain the sky and the air has a metallic tang, lies a bleak little avenue called Bent Street. It was once a low-income neighborhood, home to the men who worked in the steel mills. Allen and Philip Frossio grew up there. Today, where the family home once stood, is a building paid for by the brothers' Philip Services Corp. The boys from the "hood made good." They started with a small trucking firm they took over from their father. Within 20 years, Allen and Philip Frossio rose to be chief executive and chief operating officer, respectively, of a multinational empire. In the past two years, Philip has taken over an astounding 39 companies, and now has interests in businesses as diverse as gas turbines and water treatment. Today, the Frossio brothers park their sleek sports cars outside huge stone houses in Ancaster, an upscale suburb of Hamilton.

The company was born as Philip Enterprises in 1968, when the Frossios started making money by hauling loads of industrial waste—used in night roads in the steel mills. They changed all the sand in their own yard, sifted through it for iron and steel magnets, and sold what they found back to the mills. They called it "recycling," just in time to catch the wave of green fervor that swept the country throughout the 1980s. There was money to be made in other people's garbage. Philip expanded until they had operations in redox, reuse or recycle almost everything, from pop bottles and cardboard boxes to the detritus from steel and furnaces.

In its environmental policy, Philip promised to "be open and operate with integrity by protecting public health, safety and the environment." Investors, looking for environmentally friendly investments, rushed to pledge their funds. And Philip offered more than just a green solution: it was also doing the

promise of new jobs in Hamilton, a city struggling with huge industrial layoffs. Not to mention responsibility in a region long criticized for its pollution problems. The strong recycling industry helped the region of Hamilton-Wentworth win recognition from the United Nations as a "sustainable community" in 1993. And as cost-conscious Ontario sharply cut back its environmental inspection staff, Philip boasted of its green policy and pledged to monitor itself. Everyone wanted to believe in the promise of Philip Services.

Has the promise been fulfilled? In April, 1996, the company announced the discovery of a site in Hamilton where it announced it would build a \$20-million factory to recycle the dust from electric arc furnaces—used to smelt scrap metal. The zinc and iron from the dust—classified as a hazardous waste by the province of Ontario—would be reclaimed and sold. Philip said the harmless leftovers would go to landfill. There was also a bonus: the Frossios promised that the enterprise would create 120 new jobs.

When Saskatchewan, then-Ontario's Economic Development Minister, attended the ceremony, where Philip Frossio said the use of the ground-breaking technology would show the company's "ongoing commitment" to the environment, that almost two years later, there is no sign of the factory. In 1993, Philip transported 51,000 tonnes of its dust sludge to Surrey, Ont., paying 17,000 to a hazardous waste landfill and 34,000 to an industrial waste dump after chemically stabilizing the dust so that, under environmental ministry regulations, it was no longer considered a hazardous waste. As of the beginning of 1996, 73,000

Philip site in Hamilton; Allen and Philip Frossio, chief growing



toxicity of the dust still set on Philip yards.

The company has said it delayed construction of the reclaiming factory because of reports that superior technologies will soon become available. But Mark Winfield, director of research at the Canadian Institute for Environmental Law and Policy, questions that explanation. "One would expect that that competitive enterprise in this business would be intimately acquainted with the technology available, its effectiveness and its cost," he notes. Philip now says it will be bringing in new technology from Britain, where it bought a metal recycling company, Allied Metals Ltd., in January 1993.

In this a textbook example of a practice critics call "brown recycling?" Most management firms claim they will recycle a product, or that they will soon be able to, explains Reuben Naderlich, counsel for the Canadian Environmental Law Association. "Then they are exempt from regulatory control." Only saying materials are bound for recycling, a company can store or transport them without many of the restrictions that would apply to the same substances if they were wastes.

It can also be lucrative—Philip's gold recycling operation in Surrey, B.C., shows. In 1981, Philip bought a local firm that had tried and failed to recycle old paint, and promised to make the process work. The company used a lot to burn the paint, planning to extract its toxic residue for sale to manufacturers to make new paint. But that proved too difficult and costly. Then, Philip tried unsuccessfully first to use the ash as a base for low-grade industrial grout. This, however, failed because of impurities in the ash, resulting in a price war with the consistency of ash. Finally, the company said it would send the ash to a hazardous waste landfill, while it tried to develop another method for recycling paint. Five years after Philip first promised to recycle paint, the ash was still going to landfill. But meanwhile, sources say, the company made an estimated \$1 million a year on

the paint operation. Philip was paid \$365 a drum to haul the old paint away from apartmenters and auto body shops, and they put the ash in a landfill site for only \$65 a drum, including labor and transport costs. The plant was finally closed in 1990. Philip employees at the company's Seattle office, which managed day-to-day, refused to comment on why it was closed or to say whether it had ever actually recycled paint.

If a company could lose \$6,000 tonnes of copper, what could happen with its ever-increasing stockpile of hazardous electric ash furnace dust? That question, asked by environmentalists, only underscores the rocky relationship Philip has always had with its critics. In fact, Winfield and Naderlich suggest it is stretching the def-

**Seager (above right) is an industry Philip dump ever thought a unbecomable expense that has taken a hard line against opponents**

inition to even call Philip an "environmental" business. "You have to look at what's been recycled and what's ended up being disposed of," Winfield says. Philip might more accurately be described as a waste-processing outfit, he says—and sometimes such industries have a net positive impact on the environment. "These businesses waste recycling processes can produce a wide range of emissions and odors that are themselves basically clean hazardous waste," Winfield explains. "That has to be taken into account."

But given what is at stake, controversy may always be a part of the Philip story. Not only does the company deal with dangerous substances generated in Canada, it is also one of the top importers of hazardous waste from the United States every year. And there have been scandals: Philip has been connected to foul-smelling air at the Environmental Protection Act in Ontario following storage in a site not approved by the environmental agency, and transporting waste in a vehicle that was not licensed, and at four times in Quebec for illegal hazardous waste dumping. Those violations cost the company more than \$26,000 in fines. In Alberta, the company has been hit harder: an employee at the Philip waste-processing centre in Nisku, east of Edmonton, was convicted in 1991 of illegally dumping oil-contaminated soil, and Philip paid a \$100,000 fine.

Last fall, Philip took over disposal of PCB-contaminated soil for General Electric in Toronto. The company tracks the development waste to St. Andrew in the Saguenay region of Quebec, for burning in an incinerator owned by Vacuum-Burned Inc. Environmental Inc.—even though an inquiry filed by the Quebec government has found that test burn results done by Brown were inaccurate about the effects of burning PCBs. The local community is outraged. Philip trucks were blockaded and searched for PCBs on Jan. 21 while passing through Laurentian Provincial Park. "Politically, this is not a good time to be importing Toronto's PCBs to the riding beside Lucien Bouchard," says Daniel Green, of the Montreal-based Société pour l'Environnement (The Society to Stop Pollution).

But Bouchard's government has, to some degree, cleared the way for Philip. Last October, the Parti Québécois changed the province's laws, while the introduction of PCBs in soil regulated, the burning of contaminated soils is not. Philip can transport and process soil in Quebec virtually unmonitored. "Company like Philip are a way to make a fast buck, transporting this stuff and burning it," says Green. "And no government is going to stop them." In Ontario, Winfield says Philip has also had some lucky breaks from that province's government. He points to a controversial 1980 Ontario Court of Justice case in which Philip successfully argued that the land-filled plastic left over when valuable copper is extracted from old cable was not waste—because it could theoretically be recycled. "That decision means that virtually all recycling activity takes place outside the waste-management provisions of the Environmental Protection Act," he says.

In 1989, Dr. George Seager, a biology professor at Hamilton's McMaster University, began a program to teach local high-school students how to test the water quality in rivers and streams. Two years ago, as a class project, the students studied Red Hill Creek, which runs past Hamilton's sewage treatment plant—managed since January, 1995, by a Philip subsidiary—and

## A tangled financial web

The trouble at Philip Services Corp. began in December when an anonymous, anonymous letter was sent to stock market analysts. It stated that there was a major rift between Philip CEO Allan Fracassi and longtime partner Robert Mooney, the high-profile head of the company's media recovery operations. The letter also suggested that Philip had set a huge amount of copper. The company denied both allegations, and announced plans to go ahead with an ambitious expansion. But on Jan. 5 came the announcement that Mooney would be leaving the company at the end of that month. Three weeks later, there was even more shocking news: Philip said it would lose a massive accounting write-down for 1997, taking up to \$390 million off its books, in all likelihood wiping out that year's profit.

The bulk of that write-down was not con-

cessional. Two-thirds of the amount was aimed at cutting a big chunk of financial debt from Philip's books. Philip spent much of the 1990s buying small, firm-owned scrap metal and other waste management businesses across both Canada and the United States. Between 1992 and 1995, the company bought more than 30 such companies, and almost tripled in size. The sorts of well-established companies Philip bought, and the high prices it was willing to pay, meant that by the end of 1997 there was roughly \$1 billion in intangible assets—known as goodwill—on the company's books.

Sooner or later, some of that had to go—and Philip, like many other companies, decided to start with a large lump sum. This sort of write-down, while a big blow to annual profits, is often seen as a positive measure to strengthen market value to barely sell-

lowing better and more in big piles rather than cowards' eyes.

But the final third of the write-down was a different matter—\$58 million worth of copper the company admitted it could not sell. Externally, this meant that Philip had done a 180-degree turn, admitting the allegation it had denied so vehemently only weeks before. It raised the question of how any competent operator, let alone the biggest trader in the business, could lose track of that much copper. Beyond anything else, this revelation "speaks more to the hands-on ability of management to effectively run the business and keep its eye on the underlying operations," said New York City investment analyst Steven Gluckstein. "I think Philip is going to have a long, hard look ahead in terms of engineering credibility from the investment community."

Some insider insiders argue that it is possible the copper listed on the Philip books never existed. The median steel about saws through the financial world: Philip stock dropped 36 per cent, from \$18.86 to

\$12 on the Toronto Stock Exchange on the day of the announcement. It also sparked so different class action lawsuits an battalion of disgruntled investors who want to know what changed between late last year, when Philip was denying stories about missing copper and other internal woes, and Jan. 27, when it admitted the loss. "The suits say that Philip was lying about what their inventory was worth for an extended period of time, that they lied about their earnings and their general financial worth, and people were deceived when they bought stock," says New York lawyer Howard Langman, who represents shareholders in one of the class action suits. Those claims are allegations that have not yet been tested in a court of law.

For a few shaky days, the acknowledgment of the missing copper appeared to

jeopardize Philip's planned \$2.6-billion purchase of U.S. oil-recovery giant Safety-Kleen Corp. There were persistent rumors that the Canadian Imperial Bank of Commerce, which had promised financing for Philip's \$280-million down payment on the company's biggest-ever takeover, might pull out. Philip's competitors for Safety-Kleen, Luckline Inc. of nearby Burlington, Ont., smelled blood, and began a big blow-out over the two-thirds of Safety-Kleen shares needed to clinch the deal. On Feb. 20, however, the bank relented, granting Philip the money it needs to swing the Safety-Kleen deal—albeit with a great number of expensive covenants and conditions now attached.

Meanwhile, Philip's credibility was dealt another blow on Bay Street here, according

to published reports in the financial press, company officials allegedly provided a handful of selected investment analysts with information that was not made available to all shareholders. According to the reports, Fracassi told analysts in late February that on internal Philip review was soon show that the copper had not in fact been lost—that its apparent disappearance was a paper loss that arose from a "trader trader" dealing in copper futures. The company's shares shot up in price with the reports—which Philip publicly denied, notwithstanding the fact that some investment analysts continue to stick by their original stories. This means that on top of Hamilton residents and disgruntled investors, Philip can now count on both the Toronto Stock Exchange and the Ontario Securities Commission being among the groups interested in learning more about the company's disclosure practices.

**BARBARA MOORE** with JOHN NGEL and STEPHANIE NGEL in Toronto



# Weather



Hilgenberg working 'The Herb Show' to the Caribbean from a basement in Burlington, Ont.

## Calling all sailors

When D'Arcy Hilgenberg is planning a weekend barbecue at her home in Hamilton, Bermuda, she'll often make a quick call to her father, Herb, to ask him what kind of weather she can expect. Herb Hilgenberg, gruff-looking good-natured dad, is not in the business of planning social events, will provide her with a reliable forecast for the next few days. Oddly enough, Hilgenberg is based not in the Caribbean but in Burlington, Ont., 50 km west of Toronto. In fact, Hilgenberg is not in the business of weather predictions at all. The daily forecasts that his provides the sailors cruising the Caribbean or crossing the Atlantic are his hobby—about as all-consuming as Fido, his 25-lb three-metre windowless basement office. Hilgenberg uses satellite dishes, two computers and radio equipment to capture and analyze meteorological data from around the world, then broadcasts his conclusions to a loyal following at sea. "There is nobody better at applying real-life imagery and determining real weather conditions," says Capt. Andrew Bass of the U.S. Naval Academy Sailing Squadron in Annapolis, Md. "Without him, life at sea would be a lot more dangerous."

An amateur sporting out of his old laundry room (Why will he permit the washing machine upstairs, anyway?) Hilgenberg also gives better high-seas reports than official weather sources? According to thousands of

pleasure sailors and commercial boaters, the answer is yes. Using high-frequency single-side-band radio, Hilgenberg makes contact with 40 to 70 boats a day, advising on conditions not suggesting safe routes. Hundreds of other boaters have in the transitional from Jer Bass, skipper of the U.S.-based Sea Bass, was unique call: "The sailed 100,000 sea miles, but if Herb told me to jump up and down and bark like a dog, I would."

The man who inspires such loyalty is a 60-year-old retired engineer, a trim, meticulous figure who recently gave up a 25-year-old pipe-smoking habit but still downs about 10 cups of coffee a day. Germ-born, he learned to sail in St. John's, Nfld., where he lived until he was 39. After graduating in engineering from the University of Toronto, he married his Swiss wife, Brigitte, in 1963, earned an MBA and settled in Burlington. Hilgenberg worked for computer companies while making in races in his spare time. In 1980, the couple and their two daughters, D'Arcy, then 14, and Cashley, then 6, embarked on a trip to the Virgin Islands aboard their 13-m sailboat *Sandwich* and U. Leaning (Burlington, N.C., they soon found themselves in safe conditions, 60-knot winds and nine-metre waves. They avoided disaster; but the experience spurred

Hilgenberg to a deeper study of weather. "I thought, how can a sane man take his family beyond the high seas and risk everything?" he says. "There simply wasn't enough information available."

When the family moved to Bermuda in 1984, Hilgenberg started his marine forecasting on a part-time basis. It was there that the U.S. navy's Base first started listening to what everybody called "The Herb Show." "The U.S. government at was spending millions of dollars on meteorological and meteorological data," recalls Bass with a laugh, "and here was this part-time hobbyist beating them hands down." It was the start of a fruitful relationship. In April, Hilgenberg will give his third annual lecture at the U.S. Naval Academy Sailing Squadron. This year, he will focus on unusual weather, including the infamous El Niño factor, which Hilgenberg describes as a "vast over-magnification of a complex set of patterns."

Since his return to Burlington in 1984, Hilgenberg's "hobby" takes up about eight hours a day, seven days a week. He begins consulting various sources of weather data—including restricted files he is allowed to get from the U.S. navy's database—at 11 a.m. That's 10 p.m. he begins a three-hour broadcast. "I help people understand what they're going to experience," Hilgenberg says. "I tell them that if you do this, you might face six hours of bad weather instead of a 18 ft. at the end of the day, they tell me 'Herb, you called that so exactly, that's my reward.'"

At least his only reward, it appears. Hilgenberg offers his service free, although amateur sailors send unsolicited donations that cover most of his \$30,000 annual costs. His home is filled with plaques, awards, gifts and mementoes. Weather widow Brigitte, herself a ham operator, serves coffee to boaters who turn up unannounced on the doorstep.

She also handles the voluminous mail, some from people whom Hilgenberg has had a direct hand in rescuing. Last May, the U.S. Coast Guard in Miami sent a letter of commendation for his assistance in locating a disabled boat and guiding it through a 26-hour ordeal—one of many such success. Another case involved a British man in U.S. waters whose wife of 30 years died of an aneurysm on board. After a nearby ship rescued the body, the coast guard, warned that the thoughtless man might commit suicide, asked Hilgenberg to maintain steady contact with him on the three-week back to Britain. Says Hilgenberg: "I feel a commitment to all these people."

So much commitment, in fact, that he has had only one day off since last June. After much persuasion, Hilgenberg's wife recently dragged him off on a Sunday rescue. The model? Titanic.

DIANE TURSHEN in Burlington

# Awaken to Northern Ireland



Crochies and cottages, mountains and meadows, island-dotted lakes and lush gardens, pastoral villages and bustling cities, scenic walking trails and glorious, gold-green verdant glens and rolling farmland, castles, seaside towns and elegant Georgian manors — Northern Ireland is a feast of pleasures. This small country, a mere 136 kilometres from top to bottom, offers a microcosm of what Canadian travellers seek when they go abroad.



Northern Ireland  
Tourist Board







### "My Sweet Hill"

A visit to Northern Ireland wouldn't be complete without experiencing Antrim, the spiritual capital of the country for more than 1,800 years. This glorious city dubbed "my sweet hill" by St. Patrick is located south of Lough Neagh and comprises a circular driving trip of the country before returning to Belfast. It is the seat of both Anglican and Roman Catholic archbishops and its lovely cathedrals are well worth seeing as are the plantations, County Museum and elegant Georgian architecture. A must-see is Saint Patrick's Tower, an exciting museum that takes the history of Antrim from its origins and legends to the coming of Saint Patrick and Celtic Christianity.

### Close to Nature

Choose one of the most relaxing holidays as a companion to any well-planned vacation. It is a gentle place as a getaway. The glorious Irish coast is the 65-kilometer Slieve Donard. Waterways are a charming blend of rivers, creeks and lakes — that connects the Five Rivers in the north with the famous Phoenix in the south. There are no borders between Northern Ireland and the Republic. Luscious lush lands, 34 stone bridges, 16 lakes and a precious, unspoiled countryside, are the treats along this 13-hour peaceful journey. Luxury cruises are available for rental and can be booked in Canada.

### At Day's End

A bonus to your exploration of this small country comes in enjoying the local scene. A stop at "The" (a musical theatre) to enjoy traditional music and dancing — the spirit is contagious, you may find yourself doing an Irish jig. A stop at the pub and hotel or on a golf course or in a city and you are in luck. A day's end is a bonus to your trip.

As well as the beauty, the scenery of the Farnagh hills, don't miss the medieval Grosvenor Castle which houses a museum, the fine, modern, limestone castle at Ballyvaughan, and the world-famous delicacy, potato roasts at Ballyvaughan. A last trip to see the beauty of the island of the Lough Neagh. Sit on the nearly 100 medieval stone walls and experience an ancient legend of the stone, stone houses, houses in a stone, stone houses, houses in a stone.

Recreation, culture and the world-famous delicacy, potato roasts at Ballyvaughan. A last trip to see the beauty of the island of the Lough Neagh. Sit on the nearly 100 medieval stone walls and experience an ancient legend of the stone, stone houses, houses in a stone, stone houses, houses in a stone.

four-hundred years old, to a century old, it will have all the amenities such as central heating, swimming pools, and television. However, the joy will be in being in a house of a frequent past having been a house of a frequent past having been a house of a frequent past.

### GETTING THERE:

Air Canada, British Airways and Canadian Airlines International all offer daily services to Belfast. Direct charter flights to Belfast are also available (May - October). The following charter airlines operate direct flights from Toronto to Belfast: In 1998 - Air Transat, Canada 3000, Royal Airlines and Skyline.

For more information and reservations contact your local travel agent.

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## Books

# The birth of a nation

### 1867: HOW THE FATHERS MADE A DEAL

By Christopher Moore  
McClelland & Stewart  
\$29.95, 320 pages, ISBN 0-7710-2599-9

Sydney was a dangerous thing. Back in 1867, when three Prime Ministers (Macdonald, Dufferin and the provincial premiers) agreed a place to discuss their latest attempt to bring Quebec into the constitutional fold, they chose Charlottetown. The historical echoes, after all, were prophetic. Charlottetown was where the original Fathers of Confederation had taken the first steps towards the invention of a new country, late in the sun-drenched summer of 1864. But as the end of the photo of that great event seemed only to emphasize the failure of the Charlottetown accord. Suddenly declared a national referendum, it became just one more reminder (he rejected Meach Lake accord of 1867 was another) that, when it came to hammering out new constitutional deals, Canadian politicians of the late-19th century apparently could not compare to their book-learned counterparts of 1867.

Why should this be so? Were John A. Macdonald, George-Étienne Cartier and the rest simply smarter than contemporary leaders? Or was something else at work? Such questions drive Christopher Moore's *A Deal, the Fathers Made a Deal*, a fascinating analysis of the messy but effective politics that made Canada 131 years ago. Moore, a freelance historian who lives in Toronto, hit his first book, *Lewis and Clark*, was the 1982 Governor General's Award for non-fiction, earned him some surprising conclusions. There is currently a widespread cynicism about politicians—a sense that they are somehow too political, always backstabbing and compromising and speaking out of both sides of their mouths. But Moore thinks that, in a sense, today's Canadian politicians are not political enough—at least not compared to those of the mid-19th century. They he argues, were a far more complex and independent-minded lot than is often thought, for the simple reason that they were not bound by the extreme party discipline that constrains politicians today. The forerunners of today's MPs and MLAs could vote (and often did) against their own parties and lead men.



The Fathers of Confederation: risk takers with vision

As Moore's clear-sighted and reliable account shows, this led to some very notable political blunders made by some of the leaders such as Upper Canada's Macdonald, Lower Canada's Cartier, and Nova Scotia's Charles Tupper. Unlike today's provincial premiers, these men could not count on the support of their own legislatures for the deal they were pursuing in Charlottetown. That is why they took the step (entirely sound for them, but antithetical today) of inviting their enemies to the conference. And so it was that Upper Canada's great reformer, George Brown (Moore calls him the Premier. Meaning, of his day), made common cause with Cartier of Quebec, whose Brown had long been considered an anti-Catholic bigot.

Passage of the new Confederation bill had to be approved by all the provincial legislatures, was particularly arduous in Nova Scotia and New Brunswick, where complaints about the domestic role of Central Canada echo to this day. But throughout the process, many of the opposition politicians who might have scuttled the deal were kept on edge. And with the approval of the British Parliament (enshrined in the British North

America Act), the new country was born. Clearly, a number of lessons can be drawn from this story. One is that a successful constitutional accord may well require more than a meeting of the prime minister and his provincial counterparts, gathering in splendid isolation to give the final form to a deal hammered out behind-the-scenes by their underlings. Some broader inclusion of opposition politicians and other voices might well be required. Moore's book also teaches us what he considers the ill health of our current parliamentary system. He speculates that one of the reasons Canadian politicians are held in low regard is that they are the facile captives of their parties, required to vote as their leader demands. He closes his argument by arguing that one should look at the iron laws of party discipline—even going so far as to throw out bad leaders if need be. The result, he thinks, could be politics that are far more meaningful and creative.

Yet if Moore studies out certain aspects of mid-19th century political life that might have rearing, a deeper reading of his book suggests that successful constitutional making is not entirely a matter of the right technique. The men who met at Charlottetown and Quebec City were ignited by a vision: something they found the political will to create something new and vital. In doing so, several of them risked their political careers, and lost when disappointing voters rejected them from office. It requires to be seen whether today's constitution-makers, made tame by the failures of 1867 and 1892, will dare to risk as much.

JOHN REMOISE

*Dilly (left), Fosse, Fein; Army lists*

**THE WRONG GUY**  
Directed by David Siodmak

**M**ovies filmed in Canada usually fall into two camps: domestic productions that have a distinctly Canadian sensibility, and Hollywood productions that are shot in locations dressed to pass for American settings. *The Wrong Guy* is an odd hybrid of the two. It's a Canadian comedy—the producer, director and star are all

Canada, as is the style. But the characters, and the film's Toronto-area localness, are meant to be American. Not that there is anything wrong with that; movies, after all, are in the business of make-believe. However, while full of funny bits and pieces, *The Wrong Guy* seems rather generously contrived as more warts than one.

Essentially, it is a movie parody created by curmucks who work in television. Dave Foley (*NewsRadio*) co-wrote the script based on a

**PALMETTO**  
Directed by Miller, Schindler

Chomsky has led to *Reverend* for the 1974 drama, still an homage to the 1930s Raymond Chandler mysteries featuring hard-boiled detectives done in by dames, inspired a long line of writers. One of the more recent additions to the genre, last year's *L.A. Confidential*, proved that good acting, a cunning script and a new directional hand can inject fresh life into an old form. Now, celebrated German filmmaker Volker Schlöndorff (*The Tin Drum*, *The Gay Divorcée*) has taken the genre to a new level, moving the film back to the dawn of the genre and to a study of the American film noir. *Die Hard* and *Heat* are so common to us now that we hardly look back to ask how and where the genre sprang from hell. *Palmetto* proves that imitation is not always the worst form of flattery; in fact, sometimes it's downright useful. Schlöndorff recaptures the stylistic elements of the genre with ease: a convoluted plot, a mean character playing a moral tug-of-war between good and evil, a dark, moody, atmospheric setting. *Palmetto* is a study of the film noir, in essence, a highly stylized B&W, not content to imitate

minic the lens, the director veers off into the land of the Coen brothers (*Fargo*)—complete with their trademark cartoon violence and

ic. But the characters, to-area locations, are. Not that there is anything, movies, after all, are like believe. However, and poets, *The Wrong* generally contrived as

...the parody created by television. Dave Foley's script based on a

distressing way. The result is a movie that can't make up its mind whether it wants the audience to look at her as doing her best job or simply stand back and wow the beauty in glamorous black gowns. Harty (Stromboli), a former newspaperman, has just gotten out of jail after serving two years for a wrongful conviction. Framed by corrupt municipal politicians in Palermo, Sic., Harty is barely unemployed and despised—and Ray Malina (Shaw) walks into his life as green spite beats Malina—a race on Christy's film. Malina's—was a rather hot-blooded blond bombshell, a trophy wife of a rich man. She approaches Harty with a plan: to bring a bad kidnapping at her maid daughter, so that the few women can split the cinema money. No one else who promotes the daughter is really disapproved for a day and that's the end of the film. The film is a very good example of the telephone sound of the kidnapping and to pick up the money. Naturally, the plot was terrible, and Harty's appearance in many

Hanson initially portrays Harry with a mix of witty cynicism and painful self-knowledge. But the character's increasingly staged actions strain credibility, until Harry becomes more fool than felon. Shun's performance, meanwhile, is over the top: prowling around the room, shimmying up against walls, she comes on less like a cat or a hot bod than a panther in heat. Part thriller, part parody, *Rainforest* is a tease that never satisfies...another comfy fare with a hollow heart.

DAVID TURNER

**T**here is a pleasantly retro feel to the offices of Forefront Entertainment, home of the hit series *Madison*. Sunshine streams through tall windows and frosted glass partitions to warm the grey marble hallways of the seventh-floor suite in Vancouver's early-century Gastown. The

company's three principals—former radio journalist Mickey Rogers and ex-documentary film-makers Helena Cymano and Teri Woods-McIntire—occupy a decidedly unpretentious space. Yet like the leads in their long-running teen drama, who have outgrown high school and are spending their days and first scenes wrestling with the dilemmas of young adulthood, Rogers, Cymano and Woods-McIntire, 35, 37 and 39, respectively, find themselves preoccupied with a future either cooking new opportunities and unimagined risks or just measuring time. This week, the three should be celebrating a remarkable nine nominations in the Feb. 18 to March 1 General Awards. Instead, they are interested, says Woods-McIntire, in “an ongoing debate about what we want to do next.”

The duo's creative collaboration, begun over brunch one day, has already proven its mettle. Forecraft's production spending, roughly \$11 million in 1997, is small in comparison to the Columbia Group's \$100 million. Alliance and Alliance. But the Vancouver group has won an enviable reputation for intelligent storytelling and well-crafted production that is reflected in the Gemini accolades. By comparison, Industry leader Alliance, with TV production spending of \$180 million last year, has been laudatory for the statistics, awarded far excellence in (television production). Meanwhile, a grimmer, more honest cost comparison to Beverly Hills 90210, collected six nominations, including best dramatic series, a category in which it is up against *North of 60*, *Traders* and *The Gater*. The Gemini outcomes come on top of the more than two dozen international awards the series—seen or scheduled for airing to 85 countries—has already accumulated. A final note on the trending *Adventures of Sir Stanley Holmes*—a series that has become the group's most profitable and innovative's great-grandpa, and, produced in partnership with Winnipeg's Credo Inter-

**Debutant**—garnered three Gemini nominations, including one for best performance in a youth series for his 14-year-old star, Miley Cyrus' *Hannah Montana* of Disney. (Skibley begins airing in Britain in April and in the United States in August.) But if Skibley's success has distracted

Forefront can face life after Modbus with a measure of stability, the three principals now plan to discuss all of the critical "roadblocks." "We do have investors knocking at our door," says Woods-McIntire. Learning them is would give Forefront the clout it needs to tackle more ambitious projects, and to break out of the youth-oriented program niche where it has prospered until now. "In the meantime," says Rogers, "you're really aware of how big companies are. We're competing with the Disney's, the Walt's, the Vancens."

one is usually aware of the risk of turning partners—especially a large, well-funded one—into their business. On the one hand, says Cymanon, there is the allure of “having enough time and resources to seize the opportunities coming our way.” But with a side add, comes the challenge of “not being swallowed up.” As Woods-McClister says,

"We're fiercely independent. But I like to play on the outfield with the kids too. That's the joy of it."

Whatever the eventual verdict, these Forefront women seem determined to preserve the passion—a way they all use frequently—that has fostered their partnership since the outset. Says Cynamon: "The reason I got into this business was to cause a difference." Rogers speaks of a desire to "make stories that really matter." And Woods-Melcher describes the project's intent to attract her, also says: "The stories that have emotional potency where the stakes are high and we see that a person is made of." She adds: "I don't want to do a violent story, or a story that's completely self-destructive. I don't want to be killed and murdered."

It's probably, indeed, a difference

But the rapper notes that all three partners are women with relatively young children, and the two (Ragers and Cynamere) are single mothers. Meeting a reporter earlier this month, Cynamere apologized for the mildly disruptive presence of her seven-year-old daughter, Martina, who was sitting in a crib and had come to work with her mother instead of going to school. "We're all bubbly, playful, colors Ragers," We each have one child."

But the rapper notes that despite the importance all three attach to making connections, both in the personal realm and with their shows. "We're all about relationships," says Cynamere. Adds Ragers: "Work for strong woman characters in the shows. We want to have more women watching. Share the love."

Whenever the girls make their shows, the women say they will make their decisions over the coming weeks for why they chose to perform by themselves. "We're committed," Wood-Norris observes, "to allowing our respective partners' lives to inform us about ourselves." Just like the new entertainment centers back of Madison

# Wall-to-wall news

There is more information than ever on Canadian TV

BY ANTHONY WILSON-SMITH

And now, for those who feel that when they hear the words "Canada" and "constitutional debate" lumped together in conversation, some unwelcome late-breaking news looms that this, because not even television punditry could say more. At almost any time most daylight hours, anyone tuning in the tube could at least two and as many as four different stations offering reports on the subject. As the Supreme Court of Canada listened to legal arguments over whether Quebec has the right to declare itself a sovereign nation, two networks—the CBC's *NewsWorld* and its French-language counterpart, the *Revue de l'information*—carried the proceedings given-to-gavel. That programming, *NewsWorld* head Tom Burrows confesses, "was appropriate to an extent of great importance—but will probably not be a ratings bonanza."

Meanwhile, the country's newest all-news network, CTV's N-1, reported on the subject as part of its four-times-a-hourly all-day newscasts. And for Toronto-area viewers, *CablePulse24*, the fledgling all-news offering of CHUM Ltd.'s City TV, had a regular in Ottawa profiling regional updates and interpretation.

"All news, all the time" never in the history of Canadian broadcasting have so many stations made such a vow with such gusto. And soon, there may be more. The *CableWest*/Global television network, which serves most of the country outside of Alberta, is hoping to win government approval to operate the regional all-news stations, beginning in the fall of 1998. Like his counterparts at the other stations, Ken MacDonald, Global's vice-president of news operations, sounds buoyant about the prospect. "There are many more stations to be covered,"

he says, "and many more viewers eager to watch." That optimism is shared by those at other stations that are either expanding their range—as in the case of nine-year-old *NewsWorld*—or launching new, as CTV's N-1 did on Oct. 17. "Canadians have proven themselves to be particularly and sophisticated consumers of information," says Henry Kowalski, vice-president of news operations at CTV.

In fact, on a per capita basis, a higher number of Canadians than Americans tune in to all-news channels. Consumers of all-news

is micro-fragmentation of an already small market," says Jeff Osborne, a marketing partner with Toronto-based Media Buying Services, a company that works with advertisers in negotiating network airtime and ad costs. Adds Osborne: "The all-news television concept is getting seriously close to oversaturation. It's kind of like going to a magazine rack to get information about a specific issue: you realize how much information you're, there's a limit to how many magazines you'll buy."

Until recently, ratings for all-news television stations were lagging in their most



CTV's N-1: drama, ratings, and questions about whether Canadians really want a headline news service

television tend to be older—more than half the audience, on average, is over 50 years of age—as well as better-educated and more affluent than other viewers. "These last two qualities make them particularly attractive to advertisers. Still, a key question remains: is there a big enough market in Canada to allow all-news stations to generate sufficient revenue to make a profit? Even in peak hours, statistics show that out of 30 million Canadians, the total audience for all-news television seldom exceeds 500,000. "What we're facing

levels since the Cable News Network (CNN) first began broadcasting in 1980—when it was disparagingly known by other outlets as the CitiNews Noodle Network. MSNBC, the all-news subsidiary of the NBC television network, since its launch drew a nightly audience of as few as 33,000 viewers. All-news stations depend upon live—and usually local—news for good ratings. That means that the best periods for all-news television have included the 1991 Gulf War—when CNN's ratings hit an all-time high of 5.4 million viewers—the O. J.



Anchor CablePulse 24's rising high-tech, interactive night shift

Simpson murder trial in 1995, and the aftermath of the deaths of Diana, Princess of Wales, last August. "We do not operate in a vacuum," says CTV's Kowalski. "Obviously, people are most likely to watch when they feel there is something specific to watch." While they agree on that, each of the people running Canada's all-news stations use sometimes sharply divergent approaches to report news and view viewers. The differences among the three leading English-language networks, as well as Global's planned entry

*NewsWorld*. Though relatively young, the nine-year-old *NewsWorld* is the granddaddy of the business in Canada. It follows a blend of live programming of major news events, talk shows with heavy emphasis on politics and business, and documentaries. According to the terms of its broadcast license, 90 per cent of *NewsWorld*'s programming must be Canadian. It is also the only one of the networks to publicly reveal its budget—\$55-million a year. *NewsWorld* is only now breaking away from its internal image as the unexciting kid brother of the main network, CBC anchor Peter Mansbridge concedes that "In the past, I used to fight to keep big stories and projects on the main network, away from *NewsWorld*. Now, we're learning to work together." The network averages about a one-per-

cent share of the TV audience, and sometimes reaches 1.5 per cent. That means on an average weekday about 70,000 Canadians are watching at any one time, although that figure climbs to more than 100,000 at 9 p.m., when *NewsWorld* airs *The National* one hour before the main network. Another top draw is *Rosella White*, while the four p.m. weekday *Public* with hosts Don Newman and Nancy Wilson is a must-see in Ottawa and provincial capitals.

*NewsWorld*'s blurring and curse, notes Burrows, is that as a public broadcaster it does not have to worry as much about ratings. "Our standards to help Canadians see themselves reflected in our programming," he says. On the plus side, that means private television offerings that low private networks would shun—such as the critically acclaimed *Rough Cuts* and *The Passionist Eye*. On the minus side, that includes the cumbersome business of cost-shifting programming out of three production centres—Toronto, Calgary and Halifax. That produces needless duplications, too often there are too many talk shows featuring the same guests talking about the same topics. And even if ratings are not a priority, the morning show's numbers—peaking at about 90,000 viewers versus some 330,000 for CTV's

Canada AM—are abysmal. Burrows, who

because *NewsWorld* head on Feb. 1, says being that is one of his priorities.

CTV N-1. "When we made it out the air so quickly, that was a miracle in itself," says CTV's Kowalski with a sigh. That resident is understandable. Kowalski, who became head of CTV's news last spring, had only six months to hire a staff, carve out space at CTV's existing studio in Toronto, and go to air. That took place in the midst of a takeover of CTV by Baton Broadcasting—which has resulted in an uneasy blend of corporate cultures.

So much for the good news. "It is not too early to say that this network could face extreme trouble in the market," says Osborne of Media Buying Services. "Their ratings are dismal, and the question is whether Canadian viewers will head-line service." And, says Vince Carls, the director of journalism at Ryerson Polytechnic University and former head of *NewsWorld*: "CTV has great news anchors, but they're not using them well." Ratings average a 0.1 per cent audience share—meaning that during prime time, there are seldom more than 60,000 viewers and often less than a quarter of that.

Among N-1's problems are the terms of its CRTC license. It has severe restrictions on the use of live programming and is supposed to operate in a 15-minute "wheel"—meaning that there is little chance to cover detailed reports to

the four-hour news required every hour. As well, N-1 is using new technology that allows news anchors to tape their items in advance. Efforts to cut out and reorder those items—a process much like shuffling a deck at cards—has resulted in N-1's news in real time, but critics say the final product lacks the necessary immediacy for a news service, and N-1 lags well behind in breaking stories. Says Carls: "They're too hung up on technology."

Kowalski acknowledges some problems and is defensive about others. On the ratings issue, he says, "By definition, headline news is something that people are not here for a few minutes, so it's very hard to rate as by conventional means." Of late, he has been re-juggled his news, trying to find a way to introduce more live coverage of events while staying within the terms of N-1's license. And, he promises, "we will use our top-drawer talent whenever possible." That means people such as main news anchor Lloyd Robertson and Ottawa bureau chief Craig Oliver are likely to appear more often.

*CablePulse24*. One of the oldest satellites of Mason Zimmet, the head and founder of hugely popular City TV in Toronto, is "Thank God, I act locally." To that, City TV's vice-president of news, Stephen Hafford, adds his description of how City's all-news operation will present stories: "Main Street news. Day



## Breast cancer and diet

A British study has found no evidence that a high-fat diet increases the risk of breast cancer, while American researchers have concluded that a woman's chances of contracting the disease increase with the amount of alcohol consumed. After analyzing data from nearly 1,000 women between the ages of 50 and 65, doctors at the Maudsley Institute for Health in Leeds, England, found no significant dietary differences between those with and without breast cancer. "It is unlikely that dietary fat intake has an important influence on breast cancer risk, unless this influence occurs much earlier in life," the researchers observed in the *Journal of Epidemiology and Community Health*. In the U.S. study, reported in *The Journal of the American Medical Association*, an analysis of data from 200,000 women shows that those consuming two to five alcoholic drinks a day run a 45-percent greater risk of getting breast cancer than nondrinkers. Even moderate drinking—shown in other studies to reduce the risk of



## CELEBRITY POWER:

Supermodel Linda Evangelista teamed up with rocker Bryan Adams to throw a fund-raising dinner and concert for the benefit of a new breast cancer testing center in her hometown of St. Catharines, Ont. The events raised about \$250,000 for the Evagelista Adams Centre for Breast Screening. The Canadian stars met last August at a Los Angeles photo shoot for the cover of a U.S. hard-core CD. **Mr. to Meets, featuring Adams, Aaron Neville and Rod Stewart.** Adams has also donated all royalties from his song *Mr. You Ever Really Loved a Woman?* to fight the disease.

heart disease—increased breast cancer risk marginally. While the study's lead author, Dr. Stephanie Smith Warner of the Harvard School of Public Health, "Women

should consult with their personal physician to evaluate their cardiac and breast cancer risk factors and determine if moderate alcohol consumption is advisable."

## Hard hit by the latest flu

Canadians are reeling from a virulent strain of flu that mowed the country in Sydney, N.S., last September. Since then, cases have been confirmed across the country to British Columbia and in wide parts of the United States. The bug has overwhelmed emergency services and hit school attendance hard. Dubbed A/Sydney (after the Australian city where it originated), the flu typically causes aches, pains, coughs and high fevers lasting three to four days. But

the accompanying fatigue can last a month, and it leaves patients vulnerable to bronchitis, pneumonia and other infections. It is being blamed for more than a dozen deaths in nursing homes in Winnipeg and Toronto. Health authorities said A/Sydney may also be among the illnesses that afflicted athletes at the Nagano Olympics. The bug struck Canada when a cruise ship bound for New York City from Montreal docked in Nova Scotia because of an illness affecting passengers and crew. The 1997-1998 flu vaccine provides no protection against the A/Sydney strain.

## Doubts about sunscreens

New York City epidemiologist at Mount Sinai, Barbara A. Auer, reviewed 10 studies of the relationship between sunscreens and melanoma. She found no increased risk among sunscreen users. The incidence of skin cancer has increased in recent years despite the prevalent use of sunscreens. Even with that protection, doctors warn, people at high risk of melanoma should not spend long periods in the sun.

## Hormones for hunger

In a breakthrough that could affect treatments for dieters moping from obesity to diabetes and the cautions resulting from surgery or AIDS, U.S. researchers say hunger appears to be triggered by two previously undiscovered hormones. Dr. Massimo Vignossio of the University of Texas Southwestern Medical Center in Dallas reports in *Cell* magazine that the hormones orexin-A and orexin-B are released in the region of the brain that controls hunger. Injected into the brains of rats, the hormones caused the animals to eat more. And the level of the hormones increased in the brains when Vignossio and his colleagues deprived rats of food. The researchers also identified proteins on nerve endings that act as orexin receptors. Now, they say, finding a way to slow or speed up the release of the hormone, or to open or block the receptors, could lead to a new way to control appetite.

## ADVERTISEMENT

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## A wired revolution

BY BRIAN BERGMAN

**N**aming professor Elise MacFarlane is a self-confessed "technological idiot," the type of person who finds programming a videocassette recorder a daunting experience. But it was with some trepidation that she learned last year that St. Francis Xavier University, where she has taught for nearly two decades, was about to begin crisscrossing the information highway as a big way. Starting last fall, faculty and students in every discipline at St. Francis Xavier, a small residential university set on the gentle highlands of northeastern Nova Scotia, were given access to so-called WebPa, which links up all classrooms, faculty offices and student residences to the Internet and other computer-based resources. Technical fitters aside, MacFarlane had more reservations about the costs of the project—a cool \$8 million—and how the machinery might impinge on her very personal style of teaching. But after five months of exposure to WebPa, MacFarlane has put most of her misgivings behind her. "It's really been a positive experience that has opened up some tremendous opportunities," she explains.

WebPa comes quickly on the heels of an even more ambitious—and expensive—dive into the wired world at another small, highly

east Nova Scotia campus. Starting in the fall of 1996, Acadia University in Wolfville launched what it dubbed the Acadia Advantage. Under the program, which will include all undergraduates by the year 2000, students are issued identical laptop computers and a sophisticated array of software. They can plug into the system from more than 3,000 ports spread across the campus—on residence floors, student lounges and from every seat in every classroom. The goal, explains Acadia president Kevin Ogilvie, is "to provide access to the world's information services from the user's preferred location, 24 hours a day." Membership in the cyberclub, though, has its price as well as its privileges: the university spent \$12 million developing its computer infrastructure and students are charged \$5,200 annually on top of the normal tuition fee for the laptops. Acadia is planning to allow students to keep their laptops after four years of use.

With varying degrees of enthusiasm, universities and colleges across Canada are joining to CD-ROMs, the World Wide Web and video-conferencing to change the way education is delivered. The recently privatized business administration program at Queen's University in Kingston, Ont., already employs state-of-the-art computer wizardry, as does McGill University's medical faculty in Montreal. But what sets the two Nova Scotia campuses apart is the way

they have applied the technology to all disciplines—providing the day when philosophy and English majors may graduate with the same technological acumen as their counterparts in business and the sciences. Some observers say the Canadian academic establishment has been unusually slow to take up that challenge. "The Acadia and WebPa experiments are quite superb," says David Johnston, a professor of law at McGill and former chairman of Ontario's information highway advisory council. "We are other experiments on more modest scales. But I'm concerned that our faculties of education have not led the revolution. I think we could be more vigorous in taking up these tools quickly."

The potential for technology to radically alter the classroom environment can already be glimpsed on the two Nova Scotia campuses. At St. Francis Xavier, faculty members are now able to bring the resources of the Internet directly into the classroom through a computerized digital console that projects WebPa's various overhead screens. During a recent religious studies class, Prof. Sharon MacDonald took his students electronically to Jerusalem's Wailing Wall courtyard of a Web site that provides images, updated every 60 seconds, of the faithful praying at the holy shrine. Many instructors are also hard at work developing their own home pages, posting assignments and lecture material on the Net and connecting on-line "chat groups" in which students continue to flesh out topics that have been raised in class.

Even more radical innovations are under way at Acadia. Many traditional lecture halls have been converted into study labs where students sit at tables in small groups, laptops at the ready. English students use CD-ROMs on which articles read from their works; business students did up the latest stock prices for companies they are discussing; and physics students call up video simulations of equations or phenomena raised by their instructors. In such settings, says Ogilvie, the professor "is now free to move through the classroom and facilitate the intellectual dialogue." At the same time, he adds, students have been "empowered" because they now possess the same research tools as their teachers and "any, in fact, find out things the professor would never have found."

A bonus was worked—but not one in which everybody is comfortable. At Acadia University, faculty were on the brink of pulling off the job earlier this month—on what became many professors' list of being told that they must employ the new technology in their classrooms. "The administration wants to require every faculty member to use Acadia Advantage," complained faculty association president Jim MacIsaac. Shortly after his membership voted 91 per cent in favor of a strike. "We're trying to use it liberally, but the only way to do that is not to have it imposed upon us." In the end, the two sides agreed to a new 30-month contract, ratified last week, which does not require faculty members to use Acadia Advantage.

At St. Francis Xavier, university president Sara Riley has tried to ward off similar strife by building in as many incentives as possible to encourage skeptical faculty members to take advantage of the new technology. One popular measure was his decision to hire a small army of about 300 computer-literate student interns who report annually with faculty members on a weekly basis. The interns, who

are each paid an annual stipend of \$1,000, help guide their elders through the darkest corners of the wired world. The 35-year-old MacFarlane retained the services of 19-year-old Sarah MacIsaac, who has been using computers in the kitchen since she was 10. She flips through the stuff like I used to flip through a comic book," marvels MacFarlane. "It's like [in] the student again and she's the teacher."

Some pundits say it is MacFarlane's generosity which will prove the driving force behind the techno-revolution. Toronto-based columnist James G. Thompson, author of the recently published

## Technology is challenging the status quo



Growing Up Digital, points out that the students now entering university are part of a generation "bathed in bytes," far from ailing by the Net as "the luddites" are. By contrast, he says, many faculty members and university administrators see computers as a threat to a centuries-old tradition of pedagogy. "There's great money to be made," says Thompson. "It's not technology that's the threat; it's the status quo. If the universities don't embrace the teachers, there's no reason."

In fact, even some of the academics who are embracing the new technology admit to serious misgivings. St. Francis Xavier English professor Philip Miller notes that "students are entering a world where, whatever else they are going to do, it is also going to be about computers." Recognizing that, Miller incorporated on-line chat rooms into his literature and creative writing courses. As well, students in a course he teaches on novels that have been turned into movies are asked to write up their essays in the form of CD-ROM presentations. For all that, Miller, a 35-year teaching veteran, has some qualms about where technology is taking higher education. "My students are not the same computer-nerd students as the students I used to teach," he says. "They like on-line, and not off on-line. I suspect the best, as we know it and love it, is on the way out."

In another corner of the St. Francis Xavier campus, mathematics professor Charlie Gallant exhibits a similar ambivalence. Thanks to WebPa, he can instantly provide overhead digital projections of graphs that previously would take his classes several hours to plot manually. Students can then concentrate on the task at hand: analyzing and interpreting the data. And because classroom resources are all on the campus network, his students can work at their own pace. Gallant expresses some dismay that when he gives an assignment, the first instance of many students is to search for solutions on the Internet.

"These days," he says, "I've seen a problem on the Net, by the next morning someone will have solved it. It's like the cribbing that you need to do from your roommate's notes. But now, this type of jargonism is at your fingertips worldwide." McGill University's John Manly, who chairs the university's special adviser on information technology to the federal minister, John Manly—acknowledges there are some obvious pitfalls along the electronic highway. "We need to recognize the limitations as well as the strengths of computers," he says. "They will never, for example, replace critical thinking." That said, John Manly agrees that "we've been too slow to recognize that this technology is an important part of our education." "It's a 150-year-old innovation that he [ped] earlier in the industrial era. And when it comes to the latest techno-revolution, he suggests, universities should be in the front lines, not fighting a rearguard action. □

# Allan Fotheringham

## Auctioning the royal remnants of a wasted life

**I**n the sad, pathetic scene left over clothes, leftover tableware, leftover sheets, faded books, faded letters, leftover memories.

That was Yorkland Third son, Manchester's Upper East Side. The center there (Society's), the world's most famous auction house, now the home for nine days of the debris of a wasted life, the weak Duke of Windsor and his destructive wife, late of Blue Ridge Summit, Pa.

It is, for historical reasons, the center of the tragedy now unfolding at Buckingham Palace, an agonized Queen waiting to sell the crown to her confidant and underemployed son, but unable to do so because of the precedent set by her charming relative who put pleasure above work.

It is a reminder, in this week of lost country called Canada, why it is long past time to get out of the tired relic called monarchy, as a much younger Australia is doing.

At Sotheby's, there are 40,000 items that spell out decadence—and the items that still exist through an ancient Royal Family who are trying for the death of the official yacht but not for a dead prince.

They are put up for auction here by the hostess, Mohamed Al Fayed, who bought all the Paris possessions of the Duke of Windsor in hopes of selling up to the British Establishment, at which drinks him a prospect even as he owns Harrods. Mainly because a British government commissioner ruled he is a liar and, well, he is not really a politician.

It is as if he is transparent as to be suffering, he is donating the proceeds of this auction to a charitable foundation set up in the name of his son, Duke, who, as we know, expired with the Prince of Wales last August because he was so stupid as to have a drink as a chaperon.

In the library, there is the biography of George S. Patton, the egomaniacal American general. History. There is a book on Neville Chamberlain. History. There is a book on Fidel Castro. Interesting. There is a Germany at War—rather intriguing in light of the long-entailed gossip about the charming son's ill-fated.

with agnosticism—resulting in his being shipped in exile to a false role in the Bahamas after he fled the throne.

There is *Don Quixote*, Vol. II. Quite appropriate. And, best of all, *The Agency & Mr. Exchange*—a barometer of his life.

On the first night of the auction, one Benjamin Yen paid \$26,000 (\$13) for a semi-centimetre-square piece of the wedding cake that was \$25,000 more than Sotheby's guess for the cake and its silver-covered box. The box, if you must know, was either dirty—understandable one supposes, since it is 64 years old.

The Australians, who have more faith than Canadians do, have just gone through a constitutional convention where they have recommended to the government a national referendum on changing the dysfunctional family that knows—*thick!*—that it is doomed.

The Aussies, a majority now making its own laws, are determined that at the opening of the Olympic Games in Sydney in 2000 a real citizen of the country will stand on the podium on opening day and declare the Games over way—not some kid, as we see now, who lives in a comic world away.

Once they do that, chaotic Canada will follow.

It will, in fact, embolden the good Queen Bees, who wait out of it as much as we do. She is 72, and tired, and feels for her son who—thanks to 87-year-old Queen Mary's genes—will be 75 before he ever gets the throne. And the poor old Will will be on a cane, crippled from rugby before he ever sees the purple.

The second Queen Bees, as her royal courtiers tell her, must hang in there until death because her weak uncle set a precedent that cannot be repeated—if you get tired or bored with the job, you junk it.

So Sotheby's the whole crop of the monarchy. The king is dead, long live the king!

The weak character almost succeeded in destroying the chain of mythology. Born in 1894, he was 48 before he earned—his own sign of a deliverer, who dashed and bedded around the world. His niece must come home on her pillow, knowing he tossed the crown to her insecure, starting father, who was the heir of Londoners when he stubbornly stuck in Buckingham Palace when Hitler tried to bomb the East End populace of London into submission and he would tear their wrecked tentacles in the morning.

This is truly a pathetic exhibition. There are the gloves of William Simpson on display, perhaps 200 or so. There are her sunglasses, 1930s-era arrogant Riviera-style, that are very close to the glass stuff you see in the stores today for the trendy teenagers.

It is really necrophilia. The wannabe best who can't make it into English society trying to get some credibility by flagging off these sad remnants of another era to, as one witty Sotheby's type said, "a bunch of Anglophiles with more money than brains."

It's about time Canada got out of this nonsense. Too bad we don't have leaders who have the guts to do so.



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